

Childcare funding earmarked for wage rises to be diverted to training^[1]

Author: Daniel Hurst

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EXCERPTS:

More than \$235m in federal funding earmarked for childcare workers' wage increases will be redirected to professional development under an Abbott government overhaul.

The assistant minister for education, Sussan Ley, said 16 operators already had signed funding agreements worth \$62.5m under Labor's \$300m early years quality fund.

Although the new government would not walk away from those existing contracts, it would ask the operators - including Goodstart Early Learning - to voluntarily put the money into professional development measures instead of wage increases. The government would not proceed with conditional funding offers that were yet to be contracted.

Goodstart - which employs 13,000 staff, signed a contract just before the election and was to be the biggest beneficiary of the fund - said the government was not committing to pay the second instalment of the program, only the first one.

"We are disappointed that the government has indicated that future payments under our funding contract will not now be honoured," said Goodstart Early Learning's chief executive officer, Julia Davison. She called for a long-term solution to ensure families did not have to pick up the cost of higher quality early learning standards.

The announcement comes after the release of an Abbott-commissioned review of the fund, a measure announced by the former government to address childcare sector workers' low pay. Ley seized on the PricewaterhouseCoopers review on Tuesday to argue the Labor scheme was inequitable, poorly designed and used as a recruiting tool by the United Voice union. Childcare centres required enterprise bargaining agreements to be eligible for the funding.

Ley said the scheme was divisive and created huge market distortions between "the haves" and "the have-nots". She said educators in the long-day care sector were three times more likely to miss out on the funding than to benefit. The fact it was set up on a first-come first-served basis meant larger operators were favoured because smaller providers could not submit applications as quickly.

"I know there's been a lot of concern in the sector about this fund and what happens now, and the sector deserves certainty," Ley told reporters in Canberra on Tuesday.

The assistant minister said the Coalition would honour its promise to match pre-existing contracts under the fund, but would ask operators receiving that \$62.5m to "do the right thing" and voluntarily pledge the money for professional development. Ley said she had spoken to one of the biggest beneficiaries, Goodstart, but would not comment on its willingness to comply with her request to redirect the committed funds into professional development.

"I'm asking these providers to think about the greater good of the sector," she said. "I'm hoping that the full \$300m will be available for professional development that will have a real and lasting impact."

The Abbott government now planned to spend the uncommitted funds on a professional development program, including \$30m specifically for additional training support for educators working with disadvantaged and vulnerable children.

Ley said about 52,000 full-time equivalent positions in the long-day care sector would be eligible under the new professional development program, which would target educational courses, industry conferences and learning resources. The money would also help operators cover staff replacement costs while they were undertaking professional development. Operators would not have to submit an enterprise agreement to access the funds.

She said she was "not taking the money away" into savings but "keeping it for the benefit of everyone". She was confident of the government's legal position as she was not going to claw back money already contracted.

The opposition accused the government of "betraying childcare workers" just a week after the prime minister, Tony Abbott, told parliament of the early years quality fund: "We will absolutely honour all of our commitments, and contracts which have been entered into will be honoured."

The opposition childcare spokeswoman, Kate Ellis, said the government was trying to outsource the "dirty work" of breaking election

promises to childcare operators that had already locked in funding contracts.

Ellis said those providers had been put in a difficult position as they were being asked to tell workers they would no longer receive the pay rise they expected was imminent.

She said the assistant minister was "looking for weasel words" to rip money away from childcare workers' pay packets just before Christmas.

"I am absolutely proud that we worked to boost wages for more childcare workers across Australia," Ellis said.

"What we actually know is there were a number of centres that did not want to sign up to enterprise bargaining agreements either for ideological reasons or others."

Ley said operators that had made conditional offers of wage increases to staff included a clause that they did not have to pay the money if the early years quality funds were not forthcoming. She acknowledged that there were issues with pay levels in the childcare sector but this would be addressed through a Fair Work Commission process now under way.

"Thirty per cent of a subset of the workforce receiving a wage increase for just two years was never going to solve the problem," Ley said.

"The objective is that every educator in every long-day care service can benefit."

Goodstart said a Certificate III childcare worker started on a wage of about \$19 to \$20 an hour and an educator holding a two-year diploma started on a salary of around \$21 an hour, not much above the than the minimum wage of \$16.40 an hour.

Davison said Goodstart had applied for funding under the Labor scheme because it wanted to do the right thing by its staff to ensure they were paid fairer wages.

"The flaw with the early years quality fund was not its objective, but the inadequate funding and rigid criteria which resulted in inequitable outcomes of 70% of the sector missing out on funding for wage supplements," she said.

The Coalition pledged during the election campaign to launch a review of the fund. Its policy document said: "If elected, the Coalition will honour funds contracted from the EYQF but no further expenditure will be approved.

"Any increase to the salaries of childcare employees will be a matter for the Fair Work Commission and their employers. However, all remaining funds in the EYQF will be retained in the childcare portfolio."

-reprinted from the Guardian

Region: Australia and New Zealand ^[2]

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