

### Submission to Productivity Commission 3 February 2014

We own and operate 2 long day childcare centres in Queensland. The last 5 years has seen the greatest financial and regulatory threat to the viability of the sector that I have experienced.

The lowering of educator / child ratios as part of National Regulations is unjust and another negative impost on Centre operations. This is no different to retrospective legislation. It punishes people who have committed large sums of money under one set of rules and then seeks to change these rules to the detriment of the business owner. Notwithstanding the grandfathered provisions as to the adoption of the National Ratios allowed to Queensland operators, I strongly suggest that operators with existing businesses (who decided to commit to childcare under the old ratios) be allowed to keep those ratios and likewise for anyone they sell to. For many people these businesses are their superannuation. Not only will the reduced educator /child ratios reduce income for operators, they also reduce substantially the value of the businesses for sale. It is utterly unfair for Governments to change the goalposts once a business has been built. The miners didn't like it when they were to have their goalposts moved under the mineral resources tax.

Wage costs and the more hidden wage on-costs are the most serious threat to our businesses. Wage costs have increased more than inflation over the last 5 years in particular. For permanent staff, wages cost the operator 50 % than is paid to staff. These wage increases, which are imposed by government and to which owners have no say whatsoever, are not able to be passed on entirely to parents. As soon as government determined that staff should all hold certifications, wages started spiraling. Certification alone does not provide better staff. I have never been asked by a parent, and I am in Centres seeing parents every day, about a staff member's qualifications. They are correctly more interested in the personality of the staff member, their nurturing nature and how passionate they are about working with children. These are also the qualities we look for in staff. Bits of paper often mean nothing particularly when the content of those qualifications have been dumbed down in the rush to comply with National Regulations.

You do not need a 4 year university educated teacher to teach early childhood to preschoolers. I know this and so do other operators. I have spoken to dozens of preschool and prep teachers about this. You have now caused us the immense problem of trying to compete with schools for teachers. How can any private business compete with the Education Departments who don't have to price wages for their customers and for whom a pay rise is just a further grab from the taxpayers. All cost increases we face ( always imposed by government ) have to be paid for by parents. Of course we should never have been in this position and the excellent experienced Group Leaders who used to teach the same curriculum could have easily had their qualifications upgraded by a tertiary level bridging course. It would have ensured there were plenty of staff to teach the Kindergarten Program and we would not be in competition with schools for teachers. We simply don't have the money to compete with Teacher Awards. The Award that covers teachers in childcare is, as any operator knows, just a starting point for wage negotiation. The trend, especially with teacher union pressure, is to make it closer and closer to the State Teacher Award. How do we compete when a graduate looks at what we can offer and the State?

Now that 1 Jan 2014 is here and the Australia – wide requirement is for 4 year trained Early Childhood Teachers (ECTs) we have the embarrassing site of ACECQA watering down the requirements so that anyone who is enrolled in an ECT course can become an ECT!!! Why was the requirement for 4 year trained teachers in early childhood so important in the first place when now( after the idiots that originally insisted on this requirement have belatedly realized there

would be a massive shortage of ECTs ) it have reduced it to almost nothing? The warnings on this from various state childcare employer representatives over many years was not listened to. Why?

I object strongly to the excessive and relentless penalty provisions contained in the National Regulations and National Law. We are treated as Criminals that have to be controlled. The amounts of penalties and the frequency of them far exceed the previous State Legislation that regulated the industry in Queensland. Why? Does any other business in Australia suffer such Regulatory injustice?

I have given my opinion on Staffing earlier, but it needs to be said that since the National Curriculum, National Laws and Regulations and the changing of formerly helpful State childcare offices to unhelpful regulatory cop, has caused many experienced staff to quit the industry. Take it from an employer – they were the good staff .The replacement staff seem nowhere near as competent, despite clutching onto a Certificate 3 or Diploma. These qualifications are nowhere near as comprehensive as they used to be and can often be obtained by RTOs that focus on quantity not quality. Queensland always had regulations for certification of Assistants and Group Leaders but the rush to have all staff with either of those qualification has certainly lessened the quality of the people we meet every day looking for work.

The central issue with childcare is affordability. The government has increased our costs significantly and yet the parent benefit side has lessened. The result is fees go up to cover the difference and then parents can't afford childcare. This really is an easy business. Fees are competitive, businesses are highly regulated, especially in regard to wages, and parent fee assistance is going down- not up. No surprise that fees can't rise to cover Government imposed costs as parents simply won't use childcare.

I submit that parent fee assistance should be looked at in regard to staff wages at least. Don't let government increase wage costs ( which means also wage on-costs ) to operators unless its matched with fee reduction assistance of whatever kind to parents. You can't keep squeezing operators and parents. Gap fees have increased inexorably in the last 5 years and make up an increasing part of our income. All this is crystal clear to operators. All it takes is for governments to take notice of us- we are the experts in this area.

Childcare operators see parents every day and hear what they think EVERY DAY. Why is it that governments never take notice of submissions from this sector which has all the experience needed to advise of changes. Governments always seem to go to some 'expert' who has never run a centre, never been responsible to parents and for whom the cosy world of academia provides a black and white answer to everything.

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