



Submission to the Education and Employment Legislation Committee on the Fair Work Legislation Amendment (Secure Jobs, Better Pay) Bill 2022

10 November 2022



About ELACCA

The Early Learning and Care Council of Australia (ELACCA) was incorporated in 2014 to promote the value of quality early learning and care as an integral part of Australia's education system. Our 20 CEO members include some of the largest early learning providers in the country from all parts of the sector, including long day care (for profit and not-for-profit providers) and community preschool/kindergartens. ELACCA represents a significant percent of the not-for-profit and for-profit providers operating more than 2,380 services across Australia for more than 336,000 children.

As well as promoting the value of quality early learning and the need for greater public investment, we advocate for the right of all children to access quality early learning and care, particularly children facing disadvantage. We do this by drawing on the broad knowledge and practical experience of our members and representing their views and issues to decision makers in government, the media, and the public.

More information about ELACCA is available at: www.elacca.org.au



Introduction

The Early Learning and Care Council of Australia (ELACCA) welcomes the opportunity to respond to reforms provided for in the *Fair Work Legislation Amendment (Secure Jobs, Better Pay) Bill 2022*.

Maintaining a stable and professional workforce is crucial to the delivery of quality early learning services. ELACCA members invest in building the capability of their workforce, offer many above award wages and conditions (which vary from member to member) and flexible working arrangements. Many of our members have successfully negotiated Enterprise Agreements, while others support above award wages through contractual arrangements and company wage policies.

ELACCA values the Australian Government's commitment to and investment in, expanding access to early childhood education and care (ECEC) particularly through the Cheaper Child Care package and the development of a whole of Government Early Years Strategy.

Response to proposed legislative amendments – *Secure Jobs, Better Pay*

Access to affordable quality early learning plays a crucial part in promoting pay equity by supporting parents with young children to participate in the workforce. The *Cheaper Child Care Bill* will complement the pay equity objectives in the *Fair Work Legislation Amendment Bill* by supporting parents working part time to take on additional days of work (and care) or to return to the workforce. Department of Treasury has estimated that the *Cheaper Child Care Bill* could generate the equivalent of 37,000 new additional full-time jobs, or about 1.4 million additional hours of work per week¹. Much of this will come from parents with young children increasing their days of early learning and care.

To support this increase in demand, the ECEC sector will also need to increase its workforce. Workforce shortages in early learning and care settings are the most pertinent issue facing the sector. Retention, attraction and ensuring we have an adequate pipeline of early childhood teachers and educators in the vocational and tertiary sectors are all areas of significant concern. Notably, the capacity of the sector to respond to the welcome additional investment in affordability will be considerably diminished if it is not met with concurrent investment in a suite of immediate and longer-term reforms to retain and attract a qualified, stable workforce.

The early childhood workforce has been recognised by Government as one where wages are lower than in other skilled parts of the workforce, and as a key target for change. One of the key justifications that the Government has made for this Bill is that it will 'get wages moving again'. The Minister's second reading speech cited early childhood education and care as a key sector that could benefit from this Bill.²

ELACCA notes that the primary impediment to increasing wages in the early childhood sector is not the bargaining or industrial relations system – several of our members have long standing enterprise agreements, and multi-employer bargains already exist in our sector covering community long day

¹ [Cost of living relief | Budget October 2022–23](#)

² Hon. Tony Burke MP, second reading speech Fair Work Legislation Amendment (Secure Jobs, Better Pay) Bill 2022 27/10/2022

care centres and kindergartens in Victoria. Rather, the greatest impediment to increasing wages is how to pay for it. For the early childhood sector to match wages in the government school system, award wage rates need to be increased by 10-30% (see Attachment 1). Wages make up the largest single component of fee revenue, averaging 58% of total revenue across the sector³ (but this cost is much higher for some of our members).

Under current funding arrangements, the only way providers could increase wages by 10-30% would be to increase fees charged on families 6-17%. This would undermine the objectives of the Government's Cheaper Child Care affordability reforms.

Conclusion

To complement this legislation, ELACCA recommends that the Australian Government take additional action beyond the proposed legislation to provide an interim wage supplement, to tide the attrition of early childhood educators and teachers. To ensure it is not received or perceived by the sector as a tokenistic gesture, an interim wage supplement should be part of a broader package of longer-term measures addressing wages, conditions and current and future skill shortages.

Without immediate and longer-term investment in workforce, the potential reach of the Cheaper Child Care Bill may not be realised, dampening affordability and access reforms.

Further, an absence of Government investment supporting the sector to pay higher wages, may mean that changes in this Bill to multi-employer bargaining, agreement-making and pay equity are unable to be achieved in the short to medium term.

We want to work with Government to make it happen, and ensure both the Cheaper Child Care and Fair Work reform measures are a success.

Thank you for the opportunity to respond proposed amendments in the Secure Work, Better Pay legislation.

³ IBISWorld report Q8710 Child Care Services in Australia, Feb 2022

ATTACHMENT 1:

Educator and teacher wages in long day care centres and public schools

Classification	Award rate (p.a.)	NSW Educ. Dept rate ³	VIC Educ. Dept rate ⁴	QLD Educ. Dept rate ⁵
Educator Cert III commencement ¹	\$49,095	\$62,620	\$53,301	\$54,761
Educator Cert III maximum rate ¹	\$52,384	\$70,254	\$68,260	\$70,963
Teacher graduate ²	\$66,395	\$74,070	\$74,976	\$75,471
Teacher proficient ²	\$72,572	\$89,336	\$79,782 ⁶	\$82,917 ⁶
Teacher maximum rate ²	\$79,005	\$110,473	\$111,221	\$104,780

¹ Children's Services Award 1/7/2022, NSW Education Paraprofessional (Cert III qualified), Victorian Education Support Officer Level 1 Range 2; ² Educational Services (Teachers) Award as determined from 1/1/2022 following 2021 work vane case; ³ NSW Crown Employees (Teachers in Schools and Related Employees) Salaries and Conditions Award; ⁴ Victorian Government Schools Agreement 2022; ⁵ Teacher rates 1/1/2022, teacher aide rates 1/3/2022. New Enterprise Agreement currently being balloted will increase these rates by 4%. ⁶ Third paypoint assuming 2 years of service to reach proficient.



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