



# Senate Committee Family Assistance Legislation Amendment (Cheaper Child Care) Bill 2022



**Education starts with  
early educators!**

**I CAN'T  
PAY MY  
BILLS  
WITH CUPCAKES!**

**NO MORE  
BANDAIDS!  
WE DEMAND  
A LIVING  
WAGE!**

**VALUE YOUR  
CHILDREN?  
THEN  
VALUE THEIR  
EDUCATORS!**

**NO MORE  
BANDAIDS!  
WE DEMAND  
A LIVING  
WAGE!**

**GIVE US A REASON  
TO STAY  
IN THE  
INDUSTRY**

**I CAN'T  
PAY MY  
BILLS  
WITH CUPCAKES!**

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BILLS  
WITH CUPCAKES!**

**WHERE IS ALL  
THE MONEY  
GOING?**

**CHILDREN  
BEFORE  
PROFIT**

**EVERYONE  
CAN BENEFIT  
FROM A WELL  
LOOKED AFTER  
EDUCATOR**

**VALUE YOUR  
CHILDREN?  
THEN  
VALUE THEIR  
EDUCATORS!**

**THE FUTURE  
MATTERS**

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Committee Secretary  
Senate Education and Employment Committees  
PO Box 6100  
Parliament House  
Canberra ACT 2600

Dear Committee Secretary,

**RE: Senate Committee Family Assistance Legislation Amendment (Cheaper Child Care) Bill 2022**

United Workers Union (UWU) is a powerful national union with 150,000 workers across the country from more than 45 industries and all walks of life, standing together to make a difference. Our work reaches millions of people every single day of their lives. We feed you, educate you, provide care for you, keep your communities safe and get you the goods you need. Without essential workers like us, everything stops. We are proud of the work we do– as early childhood education and care (ECEC) members we are shaping the future of the nation one child at a time. We have a clear message for the Government and this Senate Committee – this legislation will not deliver a world-class early education system that puts children and educators before profits. Nor will it deliver the real and urgent change so desperately needed to keep undervalued educators from leaving the sector every day.

Early educators work every day in a system which is complicated, expensive and puts profits above the wellbeing of children, educators, and families. At the centre of this failing system is an escalating and unsustainable workforce crisis. Early educators have been holding together this messy and expensive system for years, but they have reached the end of their tether. Turnover rates in the sector are unsustainably high; recruitment is in disarray; excessive workloads are compromising quality care and education; understaffing and the misuse of ‘under-the-roof’ ratios are rampant; the pandemic has made working conditions even worse; and the long-existing elephant in the room – low pay and high stress – means the best and brightest educators are leaving in droves.

**The workforce crisis in the sector threatens the Bill’s key change: extra and cheaper access to early learning for Australian families. It also does not go far enough in regulating the big business that has now become the hallmark of Australia’s early learning system.**



The Bill aims to allow parents to make informed decisions about fees but parents may also be surprised to learn that their local early learning centre is controlled by Swiss bankers or private equity behemoths and that big profits are being made every day in ECEC. At the same time that a workforce crisis among low-paid early educators threatens the sustainability of the sector, CEOs are pocketing eye-watering salaries from taxpayer funds, and stock market investors and foreign investment funds have become key players. Amid the murky dealings of private equity funds, multimillion dollar transfer payments to overseas headquarters can be identified while no tax is paid in Australia. Public accountability and transparency about where all the money goes in Australia's early learning system is needed. We wish to draw the senate committee's attention to the 2021 report [Spitting off cash: Where does all the money go in Australia's early learning sector?](#)



This report details how private companies are enriching their owners and executives at the expense of the education and care provided to children and the wages and wellbeing of Australia's early educators. While Australian taxpayers support a healthy, well-funded early learning sector, they never signed off on million-dollar salaries, Lamborghinis, and transfer payments to tax havens. As an urgent first step, disclosure of where this money ends up is needed. The profits made from the taxpayer supported ECEC system needs to be properly regulated and ultimately stopped. Among long day care provision, where the bulk of government subsidies flow, large private for-profit providers dominate. Traditionally, private ownership in the sector was characterised by family and small-to medium-sized businesses. Increasingly however, large financial interests are being lured to the sector by strong growth prospects underpinned by generous government subsidies. This bill increases the funding available and the new reporting obligations for large providers with over 25 centres does not go far enough.

**UWU early educator members therefore recommend the senate committee consider more accountability and public transparency on large for-profit providers finances in the Bill.** Stipulations for providers to publicly report their full finances including their wages expenditure and investment in quality and inclusion, not just their rental costs and fee increases, should be a minimum requirement. This data should also be publicly reported and readily available, not just reported to the Secretary of the Department of Education and up to departmental discretion to publicly publish. The children and families of Australia deserve an ECEC sector that they can depend on, like schools, not one that is constantly in crisis and shifts profits out of the system.





UWU also notes the amendments under Section 203C of the Family Assistance Administration Act around engaging auditors if there are concerns about the financial viability of providers. UWU supports these changes but strongly believes if auditors are engaged by the Department this should be publicly reported in an open and transparent way. Moreover, UWU is concerned that the civil penalties for non-compliance around submitting specified financial information are insufficient by contrast to the significant profits many of the larger providers make. UWU questions whether these fines will be a sufficient deterrent to ensure disclosure to the Department.



## Early Educators on the Workforce Crisis September 2022

*The lack of staffing means I end up doing unpaid work at home to try to keep up when my planning time is always being taken off me, this is unfair to myself and the children I plan for.*

*I've been an early childhood educator for over 25 years and I'm now looking for another job not in child care as I'm so burnt out and over everything else I don't feel the quality of care is there anymore as I have so much paperwork we are just getting through the day.*

*We have always been taken for granted, and after all that we went through during covid and all its implications where we were essential, we still are not recognised for what we did. We're so tired of being undervalued, underpaid, and overworked, we are over our profession.*

*We are professionals working ridiculously long hours for little pay. We steal things from home for our under-resourced centres and we are exhausted.*

*Government needs to stand and stop providers profiting of Australia children and early educators or we will have no strong economy in the future.*

*With the cost of living rising, educators are leaving every day, as it is near impossible to survive on the wages we receive. After over 20 years in the industry, I've lost my mojo, mostly to the pay but also educators well-being.*



UWU supports the measures in the Bill that offer discounts for early learning for educators themselves but maintains that minor policy levers like this will not reduce the chronic staff shortages the ECEC sector faces.

Similarly, UWU members supports the increase in access to early learning for First Nations children but again, these policy changes do not go far enough. They are tinkering around the edges of the policy reform that is needed to achieve a world-class early learning system in this country. Early educators know the impact quality early learning can have on some of our most disadvantaged children but 36 hours per fortnight does not equate to two days per week attendance, let alone the likely hours required to meet Closing the Gap targets. Early educators expect more of the Federal Labor Government.

UWU also notes and supports the submission from Tamika Hicks, on behalf of UWU early educator delegates around the language in the Bill itself. While the Government is celebrating affordability for families, educators are still struggling to make ends meet and the use of 'cheaper childcare' language in the title of Bill undermines early educators. It undermines the value, recognition and importance early educators thought they might be starting to attain from the incoming Federal Labor Government.

For further information on this submission, please contact Dr Emma Cannen at

Yours Sincerely,



**Helen Gibbons**  
Executive Director – Early  
Education  
United Workers Union

