

Senate Standing Committees on Education and Employment

**Inquiry into the Wage Justice for Early Childhood Education and Care Workers
(Special Account) Bill 2024 [Provisions]**

QUESTION ON NOTICE

Date of hearing: 23 October 2024

Outcome: Early Childhood and Youth

Department of Education Question No. IQ24-000102

Senator Steph Hodgins-May on 23 October 2024, Proof Hansard page 57

Modelling on different pay raise rates

Question

Senator HODGINS-MAY: Have you done any modelling on different pay raise rates, like, for example, a 25 per cent pay rise, as a number of different representative groups have called for?

Ms Chandra: There was some early modelling done initially at the ask of unions to look at a 25 per cent wage increase. We also looked at different pay rates across the care and support economy, and some modelling was done within the department around what a fiscally responsible pay rise would be over a two-year period.

Senator HODGINS-MAY: If that's not already public, is it possible to provide this modelling on notice? Ms Chandra: I'm happy to take that one on notice.

Senator HODGINS-MAY: Do you know offhand what other rates were modelled? Was it just the 25 per cent as well as the 15 per cent?

Ms Chandra: From memory, yes, but I'll have to take that one on notice.

Answer

The deliberations of Cabinet and its Committees are confidential. It is a longstanding practice of successive Governments not to disclose information about the operation and business of the Cabinet and its Committees, including policy options or costings on different pay rate scenarios.

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Department of Education Question No. IQ24-000103

Senator Matt O'Sullivan on 23 October 2024, Proof Hansard page 60

Reason same fee cap chosen for both centre based daycare services and outside-school-hours services

Question

Senator O'SULLIVAN: Is there a reason the same fee cap was chosen for both centre based daycare services and outside-school-hours services, noting that they're obviously two very different business models.

Ms ARCARO: We can take that one on notice, but that's probably a decision for government.

Answer

The decision to set a fee cap for all services accessing the worker retention payment was a decision of Government.

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Department of Education Question No. IQ24-000104

Senator Matt O'Sullivan on 23 October 2024, Proof Hansard page 60

Timeframe for the release of the Guidelines

Question

Ms Arcaro: That's still being finalised internally. We'll put out information on that shortly. But, effectively, services will be asked for information and evidence to really illustrate what the impact would be of a 4.4 per cent increase on the viability of the service. Then the department would assess whether we think there's enough evidence. We're obviously happy to talk back and forth with the services to make sure that they're understanding what's being asked of them and the context in which that's been provided. Through that process, the department will determine whether an alternative number is warranted.

Senator O'SULLIVAN: What's the timeframe? You said 'shortly'. What do you mean? When will you release the guidelines?

Ms Arcaro: I'll have to take that on notice and come back to you.

Answer

The Worker Retention Payment Alternative Fee Growth Cap application form can be found at <https://edu.smartygrants.com.au>. The form provides details about the information an applicant can provide about their service as part of their application, to enable the Department of Education to decide whether to approve an alternative fee growth cap for the applicant's service.

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Department of Education Question No. IQ24-000105

Senator Lisa Darmanin on 23 October 2024, Proof Hansard page 61

Timeframe for the Fair Work Commission process

Question

Senator DARMANIN: Going back to one of the first questions of Senator Hodgins-May, around the time limit, I think you explained the reason for a lack of clarity around what happens after the two years. You talked about this being an interim response while the government considers the Productivity Commission inquiry and also the Fair Work Commission process. I wondered if you had any idea about how long the Fair Work Commission process will take, from your observations.

Ms CHANDRA: They have published a timeline on their Fair Work Commission website, so I can take that on notice and provide the link to that timeline. From memory—and I will need to confirm this—I think they will be in a position to provide an indication later this year or early next year, and a decision is expected to be announced with the annual wage review next year. On the scope of that decision, I don't have the details. Whether that's similar to what they did with aged care as their interim decision and they may go back after further consultation, I don't have the details, but we can take that on notice.

Answer

As per the Fair Work Commission's 3 June 2024 'Annual Wage Review 2023–2024 – Announcement of Decision':

Modern awards and classifications applicable to early childhood education and care workers, disability home care workers and other social and community services workers, dental assistants, medical technicians, psychologists, other health professionals and pharmacists will be the subject of Commission-initiated proceedings to examine and address gender undervaluation. These proceedings will commence shortly after the issue of this decision and we intend that they will be completed by the time of next year's [Annual Wage] Review, which will then move on to the consideration of other gender undervaluation issues.

The timetable for the Gender Undervaluation Review is published at:

<https://www.fwc.gov.au/hearings-decisions/major-cases/gender-undervaluation-priority-awards-review>.

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Department of Education Question No. IQ24-000106

Senator Matt O'Sullivan on 23 October 2024, Proof Hansard page 64

Fair Work Commission - allocation of additional resources

Question

Senator O'SULLIVAN: Okay. Just to confirm, you did say that the Fair Work Commission isn't allocating additional resources to assist in this particular instance?

Ms Chandra: Can I take that one on notice? I'm not sure if they have or they haven't.

Answer

The Fair Work Commission has provided the following information in response to this question.

The Fair Work Commission has not been provided any additional resourcing or funding and as the Wage Justice for Early Childhood Education and Care Workers (Special Account) Bill 2024 remains before Parliament, neither the President nor the General Manager of the Commission have directed any specific resources be allocated at this time.

However, the Commission is well placed to support parties seeking assistance with bargaining and agreement making.

Over the last 18 months, the Commission has increased the support it provides to users. The Commission has a suite of resources currently available including:

- information packs about the changes to bargaining as a result of the *Secure Jobs Better Pay Act 2022*
- updated templates and guides in relation to agreement making
- new animations and downloadable resources, available via the Commission's Online Learning Portal at <https://learn.fwc.gov.au/>
- comprehensive website information about how to <https://www.fwc.gov.au/work-conditions/enterprise-agreements/make-enterprise-agreement>.

Further projects underway include:

- reviewing, updating and drafting new enterprise bargaining and enterprise agreements website content
- updating the Enterprise agreements and Industrial action benchbooks.

Members of the public can contact the Commission for help with the process to make an agreement.

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Department of Education Question No. IQ24-000107

Senator Matt O'Sullivan on 23 October 2024, Proof Hansard page 65

Total cost of the payment system that the department will task Services Australia with building

Question

Senator O'SULLIVAN: What's the total cost of the payment system that the department will task Services Australia with building?

Ms CHANDRA: I'll have to take that one on notice because that is a Services Australia responsibility. We don't have those details.

Answer

Services Australia was provided \$1.18 million to build the payment system for the Worker Retention Payment grant as part of the *Child Care Subsidy Reform – further measures for strong and sustainable foundations* measure announced in the 2024–25 Budget.

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Department of Education Question No. IQ24-000108

Senator Catryna Bilyk on 23 October 2024, Proof Hansard page 66

Online Application Portal

Question

CHAIR: Thanks. I was talking to a director of a long day care centre only on Monday, who told me that they want to apply for the grant but as part of the process they've been sent a quite large spreadsheet. Has anyone actually looked at what's been sent and checked that it's easy for the centres or services to work with?

Ms Chandra: That doesn't sound like it's come from the department because we have an online application portal.

CHAIR: I think the spreadsheet was online though, which I think was part of the problem.

Ms Chandra: I'll have to take that one on notice.

CHAIR: Take that one on notice and have a look for me.

Ms Chandra: Sure.

Answer

The Department of Education has not sent any spreadsheets, either online or in any other format, to Early Childhood Education and Care (ECEC) providers as part of the Worker Retention Payment grant application process.

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Department of Education Question No. IQ24-000109

Senator Lisa Darmanin on 23 October 2024, Proof Hansard page 66

Consultation list

Question

Senator DARMANIN: Further to the answer you provided Senator Bilyk around consultations, could you provide the committee, on notice, with a list of everyone that you've consulted with?

Ms CHANDRA: I'm happy to take that one on notice.

Answer

The Department of Education has consulted with key stakeholders in the Early Childhood Education and Care (ECEC) sector, including service providers, unions and sector peak and advocacy organisations. This includes consulting through the supported bargaining process as part of the Fair Work Commission proceedings and consideration of submissions received in response to the Australian Competition and Consumer Commission and the Productivity Commission inquiries into ECEC, and the Jobs and Skills Australia ECEC capacity study.

These include:

Australian Bureau of Statistics
Australian Childcare Alliance
Australian Competition and Consumer Authority
Australian Education Union
Australian Education Union Victoria
Australian Home Childcare Association
Australian Industry Group
Australian Local Government Association
Australian Services Union
Camp Australia
NSW Family Day Care and IHC Support Agency NSW and SA
Community Child Care Association
Community Early Learning Australia
Dandolo Partners
Department for Education, Children and Young People Tasmania
Department of Education, Queensland
Department for Education, South Australia
Department of Education, ACT
Department of Education, Victoria
Department of Education, Western Australia
Department of Education and Training, Northern Territory
Early Childhood Australia
Early Learning And Care Council Of Australia and members

Early Learning Association Australia
Family Day Care Australia
G8 Education
Goodstart Early Learning
Gowrie Australia (and State Gowrie Associations)
HumanAbility
In Home Care sector representatives
Independent Education Union
Independent Schools Australia
Jobs and Skills Australia
Junior Adventure Group
KU Children's Services
Lady Gowrie Tasmania
National Out Of School Hours Services Australia Association
NSW Catholic ECEC Providers Working Group
NSW Family Day Care and IHC Support Agency NSW and SA
Office for Early Childhood Development, South Australia
Outside School Hours Council of Australia
P&C Queensland
Productivity Commission
Queensland Children's Activities Network
SDN Children's Services
TeamKids (Outside School Hours Care)
The Creche and Kindergarten Association Limited
The Front Project
SNAICC – National Voice for Our Children
The Y Western Australia
TheirCare
United Services Union

The department also hosted a webinar for the sector on 10 October 2024 which was attended by over 2,800 participants.