



**ELACCA submission to Senate  
Committee inquiry on *Wage Justice for  
Early Childhood Education and Care  
Workers (Special Account) Bill 2024***



The Early Learning and Care Council of Australia (ELACCA) welcomes the opportunity to submit our response to the *Wage Justice for Early Childhood Education and Care Workers (Special Account) Bill 2024* (the Bill).

## About ELACCA

The Early Learning and Care Council of Australia (ELACCA) was established to promote the value of quality early learning and care as an integral part of Australia's education system. Our 18 CEO members include some of the largest early learning providers in the country, representing both not-for-profit and for-profit services.

ELACCA members operate 2,017 long day care services, 320 preschool/kindergarten services and 88 OSHC services, covering every state and territory. They offer one-quarter of all the long day care places in Australia. Together, our members serve 232,466 children and their families, and employ more than 59,978 staff.

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

## Strategic context

The early learning and care sector has been facing chronic workplace shortages over a number of years, and as found by the recent Jobs and Skills Australia Workforce Capacity Study in the Early Childhood Education and Care, a substantial uplift in workforce levels is required to meet current and future demand<sup>1</sup>. The Productivity Commission also found that workforce challenges, including pay and conditions, needed to be addressed to ensure the expanding availability of early learning and care<sup>2</sup>.

Attraction and retention of a qualified, appropriately remunerated early learning workforce is vital for Australian children to ensure access to high quality early childhood education and care in their first five years. This supports children's opportunity to learn and develop, as well as parents and carers' ability to work and study. Increased workforce participation of parents and carers offers considerable productivity gains to the Australian economy.

The early childhood education and care workforce operates under an internationally regarded regulatory system through a National Quality Framework and National Quality Standard<sup>3</sup>. Minimum qualification requirements are required to work as an early childhood teacher and educator. Meeting current shortages, and building the pipeline of a future workforce, takes time, due to the qualification requirements of these roles. Retaining our existing workforce, and attracting back qualified early learning professionals are important components in ensuring a quality workforce, while we continue to work with governments to build a strong skills pipeline and future workforce.

It is clear improved remuneration levels would improve the attractiveness of a career in early learning and care, workforce retention and promote better career progression.<sup>4</sup> We note that investments made in the

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<sup>1</sup> Jobs and Skills Australia (2024), *The Future of the Early Childhood Education Profession*, <https://www.jobsandskills.gov.au/studies/early-childhood-education-and-care-study#studyreport>

<sup>2</sup> Productivity Commission (2024). *A path to universal early childhood education and care Inquiry report*, <https://www.pc.gov.au/inquiries/completed/childhood/report>

<sup>3</sup> See ACECQA website for further information: <https://www.acecqa.gov.au/national-quality-framework>

<sup>4</sup> Jobs and Skills Australia (2024)

aged care workforce yielded positive results and in the year after the Fair Work Commission announced a 15% wage increase in November 2022, vacancies for aged and disability carers fell considerably.<sup>5</sup>

It is ELACCA's vision that all children in Australia have access to inclusive, high-quality early learning and care, delivered by a skilled, valued workforce.

## **ELACCA response to the *Wage Justice for Early Childhood Education and Care Workers (Special Account) Bill 2024***

ELACCA supports the primary objective of the Bill, to enable remuneration increases for workers in the early childhood education and care sector over the next two years. ELACCA, along with many other parts of our sector, has long advocated for government co-investment in wages for our workforce.

The Bill recognises that we are a sector that provides an essential service for the Australian community. We note the objects of Bill are outlined in clause 2, that the legislation is required to:

- (a) address current workforce shortages by helping to attract and retain early childhood education and care workers; and*
- (b) contribute to the ongoing professionalisation of the early childhood education and care sector; and*
- (c) ensure that early childhood education and care remains accessible and affordable to families; and*
- (d) encourage good faith bargaining and the making of enterprise agreements in the early childhood education and care sector.*

ELACCA notes that the Bill is high-level and largely enabling, with detail to be provided in grant guidelines overseen by the Department of Education Secretary (Part 3 of the Bill).

ELACCA supports the development of a mechanism that ensures money provided to services for wages goes directly and in full to employees.

We support in principle and appreciate the objective to ensure affordability for families, provided in sub-clause 11(3)(b) that recipients of the grant "limit any increase in fees". However, understanding the link between fees, costs and financial viability of services, we support the special consideration process for an 'alternative fee growth cap' provided for in the grant guidelines.

### **Funding certainty**

ELACCA notes that the Worker Retention Program grants program can be delivered through existing legislation (section 85GA of the *A New Tax System (Family Assistance) Act 1999*), and the Department of Education is not reliant on this Bill for the program to commence. However, a timely passage of the legislation will help provide a sense of clarity for the sector.

In addition, we urge the Australian Government to provide an ongoing commitment to invest in wages for our workforce, beyond the life of the grants program. This would provide much-needed certainty for our early learning and care workforce, and enable service providers to confidently plan beyond the next two years.

ELACCA recognises that a separate Fair Work Commission review is underway with regard to the early learning and care workforce.

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<sup>5</sup> Jobs and Skills Australia Monthly Internet Vacancies Index

ELACCA advocates for additional government co-investment in early learning and care workforce wages to ensure pay parity with the school sector.

### **Guidelines for the distribution of grants to approved providers**

ELACCA notes the development and recent release of associated grant opportunity guidelines that sit outside the legislative process. We note concerns raised by the Senate Standing Committee for the Scrutiny of Bills about the grant guidelines eligibility criteria being excluded from the Bill.

With regard to the guidelines, ELACCA makes the following points:

- Timely processing of grant applications is of paramount importance. We are concerned about the ‘within two months’ assessment period to determine whether a provider is eligible to participate in the program. This delay in certainty is problematic both for our educator workforce hoping to benefit from the program, and for service providers planning for it.
- Timely payments to grant recipients is vital. Grants payments made to eligible providers two months in arrears may create significant cashflow issues and risk for some providers, particularly smaller organisations.

ELACCA appreciates the opportunity to provide feedback on the Bill. ELACCA will continue to engage with the Department of Education regarding the associated guidelines.

For further information or clarification, please contact ELACCA CEO, Elizabeth Death  
or Sally Maddison, Policy Manager

Thank you for considering our submission.



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