

The Front Project submission on *Wage Justice for Early Childhood Education and Care Workers (Special Account) Bill 2024* Senate Standing Committee for the Scrutiny of Bills.

1 October 2024

The Front Project is an independent, national enterprise that works systemically to address disadvantage and improve outcomes for children, families, and society by realising the benefits of quality early learning. Early Learning has the potential to address children’s experiences of inequity, vulnerability, and intergenerational disadvantage, delivering both immediate and lifetime impacts.

We support this Bill to establish an account that will fund pay increases of 15% over two years through the ECEC Worker Retention Payment Program, and for the Secretary of the Department of Education to have oversight of the eligibility criteria and allocation of grants to approved ECEC providers.

The Front Project is highly supportive of wage increases for Early Childhood Education and Care (ECEC) workers, recognising that improved wages and conditions are crucial for addressing the sector's immediate challenges related to workforce attraction and retention.

Higher wages help ensure that quality educators remain in the field, fostering strong, lasting relationships with children, which are essential for early development.

Attraction and retention of the early childhood workforce will also be crucial to delivering future reforms as mapped out by the Productivity Commission’s inquiry into ECEC, with the workforce the cornerstone of delivering a universal system.

Seventy-nine percent of parents surveyed in our Work and Play research¹ agreed that better wages and conditions for educators are vital to maintaining high-quality care.

We also support the requirement to cap parent fee increases, ensuring that improvements to wages do not burden families especially as cost-of-living

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<https://www.thefrontproject.org.au/images/downloads/Final%20Families%20Report%20-%20Work%20and%20Play%20.pdf>

pressures are felt by many in the community and true universal access should mean cost is no barrier to access.

This support for the workforce in the form of wage justice, and affordability and access to early learning for families have been a key feature of our submissions to the Productivity Commission² and ACCC³ inquiries.

We support ongoing, bi-partisan commitment to professional wages and conditions for the early childhood education and care workforce.

Opportunities and risks

Administering grants for quality improvement

Government should be attuned to the opportunities available through grant and contracting processes for stronger market stewardship. The PC and ACCC have both recommended greater oversight and intervention in the early childhood sector. They pointed out that without sufficient market stewardship, gaps could persist in service delivery, particularly in disadvantaged or rural areas. The PC also recommended more targeted funding to ensure that services reach those in greatest need, improving overall outcomes for children and families. The ACCC suggested a greater role for government in monitoring pricing, regulating fee increases, and ensuring that funding translates into better wages for workers without excessive fee increases for families. Both reports agree on the importance of government intervention to ensure that the market operates fairly, remains accessible for low-income families, and promotes high-quality care.

Government has an opportunity to influence the levers that contribute to quality early learning and outcomes for children. Grant eligibility can be tied to a range of industrial provisions, not only wages but also conditions for staff. The PC found that services investing in their workforce tend to achieve better outcomes for children, highlighting that investment in a well-trained, well-compensated workforce is linked to higher-quality care and improved developmental outcomes for children. The PC emphasised that qualified and supported educators provide better learning environments, which in turn benefit children's cognitive, social, and emotional development. The Department of Education has the capacity through grant provisioning and tendering processes to target investment for quality.

Funding Sustainability

² <https://www.thefrontproject.org.au/media/attachments/2024/03/13/6mar-pc-submission-v3.pdf>

³ <https://www.thefrontproject.org.au/images/submissions/WIP-oct31-ACCC-submission.pdf>

A key concern is whether the wage increases are sustainable in the long term. This special account relies on government funding for a period of two years and will sunset in 2028. Without a clear, ongoing funding mechanism, there is a risk that wage improvements may not be maintained after the initial implementation phase. Whilst an interim payment is a sensible approach as the Fair Work Commission completes its work into gender undervaluation, the government will need to address long-term funding of the ECEC sector. Any future award-based increases will need to be funded in a way that addresses workforce issues, maintains service viability and ensures affordable access for families.

Grant provisioning by the department.

We support the grant criteria and eligibility being determined by suitable Grant Opportunity Guidelines, and for the Secretary of the Department of Education (or through appropriate delegated authority) to award or refuse grant applications to approved providers for the purpose of employee remuneration. With an estimated 10,000 grant applications for this purpose, it is entirely appropriate that the department have the capacity to award grants in a timely manner and for early childhood educators to achieve wage justice.