



ELACCA submission to the Senate Finance and Public Administration Committee Workplace Gender Equality Amendment (Closing the Gender Pay Gap) Bill

March 2023



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 19 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 *Workplace Gender Equality Amendment (Closing the Gender Pay Gap) Bill 2023*.

As an organisation, we want Australian children and families to flourish. This means focusing our efforts on building greater access to affordable, high-quality early learning and care for every young child. We want to bring children in from the margins, to maximise the impact of early learning and care – for individuals, communities, and the nation.

Ahead of the May election, now Prime Minister Anthony Albanese noted that:

“The people who work in early learning – largely a feminine workforce - are also undervalued... There’s a structural link. When you look at those industries which are feminised, which have lower wages, then I think that is something that has to be addressed.”¹

Further, the Fair Work Commission (FWC) recently reported that Childrens Services is the most gender segregated award workforce in Australia². Not only does our sector have a highly feminised workforce, importantly, we also provide essential social infrastructure that enables the workforce participation of Australian parents and carers.

The early learning and care sector is an overwhelmingly female workforce (97%) where the vast majority of educators have wages below Average Full Time Male Ordinary Time Earnings (\$1837 per week) and even below Average Full Time Female Ordinary Time Earnings (\$1575.50)³.

¹ Anthony Albanese press conference 19/5/2022

² Fair Work Commission of Australia (4 November 2022) *Occupational segregation and gender undervaluation statement issued*, <https://www.fwc.gov.au/about-us/news-and-media/news/occupational-segregation-and-gender-undervaluation-statement-issued>

³ Australian Bureau of Statistics (abs.gov.au) ABS Average Weekly Earnings, Australia May 2021

Award rates for qualified early childhood educators and senior educators range from \$800.50 to \$1091.80 per week (June 2022).⁴

Policy considerations and response to provision

In considering the proposed legislation, ELACCA welcomes the objectives of the Act that:

- Promote and improve gender equality in employment and in the workplace
- Streamline and improve reporting, transparency and accountability for organisations against gender equality indicators
- Drive cultural change to improve gender equality in all Australian workplaces.

The Explanatory Memorandum accompanying the *Closing the Gender Pay Gap Bill* explicitly references investment in the October 2022-23 Budget, including the \$4.5b Cheaper Child Care initiative, as complementary workplace gender equality and economic equality reform.

To complement the objectives provided in the Bill, we must work together to ensure we have a robust, qualified early learning workforce to support optimal workforce participation. It is important to note that current workforce shortages in the sector place the affordability impact of this reform at risk. Workforce shortages are likely to result in demand for early learning and care places not being met, thus capacity to significantly increase workforce participation of women is under threat.

ELACCA and the sector have been calling on the Federal Government to fund a wage rise for early childhood educators and teachers to reduce the pay equity gap in our sector and at least provide pay parity with relevant staff in government primary schools. The Workplace Gender Equality Agency (WGEA) could assist by commissioning research on why early childhood educators wages are so low, and how this could be addressed. We would value WGEA working proactively with the new Pay Equity Panel in the FWC to prioritise getting a better understanding of the undervaluation of low paid workers in gender segregated sectors like early learning and care.

The overwhelming majority of contact positions in our sector are held by women⁵. By contrast, more higher paid, non-contact roles provide more balanced representation of gender (including leadership, financial, IT, human resources, administrative, maintenance and other support roles)⁶. This could substantially skew reporting of wages in the sector as a whole, which may be an issue that WGEA is sensitive to. Outliers in certain segments may also distort the depiction of the overall gender pay gap reported by an organisation.

Targetted workforce initiatives that attract more men into contact roles in our sector would also be welcome, including through traineeships, vocational and tertiary education and skilled migration.

ELACCA welcomes consideration of streamlined reporting processes for relevant organisations, but notes a misalignment between the proposed reporting period for non-Commonwealth entities (April 1 to March 31) and usual financial reporting periods for entities in our sector (which are typically January to December, or July to June). Indeed, WGEA may be missing an opportunity for having gender pay issues reported in company annual reports by not aligning with company reporting periods. Further, it would be valued if WGEA consulted with the sector on the commencement date of reporting, noting the provision at s34 (a) of the legislation is retrospective.

⁴ Australian Bureau of Statistics (abs.gov.au) ABS Average Weekly Earnings, Australia May 2021

⁵ Note: ELACCA internal benchmarking (2021) indicates centre-based employees are 96.7% female

⁶ Note: ELACCA internal benchmarking (2021) indicated Central and Regional Office employees are 84.5% female

Priority recommendations

ELACCA broadly supports the *Gender Pay Gap Bill*.

We propose the following recommendations for consideration to support its success and implementation:

1. Government and WGEA to consult with the peak bodies and providers in the early learning and care sector on initiatives and action to drive cultural change, including attracting more men to the early learning and care centre contact roles.
2. Government and WGEA to work with the early learning and care sector and other relevant industries on transparent reporting processes, and to ensure as accurate a depiction of the gender pay gap as possible.
3. Ensure the reporting process is clearly designed with minimal burden on organisations, and consider the proposed reporting period, which does not align with standard annual or financial year reporting.
4. Government and WGEA work with the early learning and care sector to improve the attraction and retention of the workforce, including support for a wage increase for early childhood educators and teachers.

Conclusion

ELACCA values the opportunity to contribute this submission to the Senate Finance and Public Administration Committee for their consideration.

Thank you for considering our response, should you wish to discuss, please contact Sally Maddison, Policy Manager at or Elizabeth Death, CEO,



elacca.org.au