



Australian Education Union

Submission

to the

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

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The Australian Education Union (“AEU”) makes this submission on behalf of 185,000 AEU members employed in public primary, secondary, early childhood and technical and further education (“TAFE”) sectors throughout Australia.

The AEU welcomes the opportunity to make a submission to the Senate Education and Employment Legislation Committee’s inquiry into the Wage Justice for Early Childhood Education and Care Workers (Special Account) Bill 2024 (“**Bill**”).

Introduction

The AEU’s work in the early childhood education and care (“ECEC”) sector spans ECEC service delivery, initial teacher education, vocational education, and the industrial and professional conditions of the ECEC workforce: AEU members include early childhood teachers in ECEC settings (including long daycare and preschools), ECEC education support personnel, and teachers and lecturers in TAFE institutes delivering qualifications to and credentialing of the ECEC workforce.

The AEU affirms that a high quality and properly resourced ECEC system is the key to a more equitable and democratic society, and a fundamental entitlement of all Australian children, regardless of their background, family income, circumstances or where they live.

To deliver quality and accessible ECEC and address the significant workforce shortages the ECEC workforce must urgently expand. To attract and retain an expanded and professional ECEC workforce requires improving wages and conditions in the sector: the Australian Children’s Education and Care Quality Authority’s *National Children’s Education and Care Workforce Strategy (2022-2031)*¹ identifies that the ECEC sector’s workforce demands include requiring an additional 16,000 education support personnel and 8,000 teachers by November 2025, and, among other matters, recommends improved wages and conditions to achieve this expansion.²

¹ Australian Children’s Education and Care Quality Authority, *National Children’s Education and Care Workforce Strategy (2022-2031)*, September 2021, accessible [here](#).

² *Ibid*, p 40-41.

Accordingly, the AEU is broadly supportive of the Bill, welcomes the Australian Government's commitment to fund 15% wage rises for the ECEC workforce, and, to better meet the Bill's objects and improve outcomes for the ECEC workforce, recommends amendments to the Bill and improvements in the Australian Government's intended use of grant-making powers provided for in the Bill.

For further context and recommendations regarding improving ECEC sector and workforce outcomes, the AEU refers to its recent and substantive related publications, including:

- January 2024 submission to the Jobs and Skills Australia's Early Childhood Education and Care Capacity Study, accessible [here](#).
- October 2023 submission regarding the Australian Competition and Consumer Commission Childcare Inquiry Interim Report, accessible [here](#).
- June 2023 submission to the Productivity Commission Inquiry into Early Childhood Education and Care, accessible [here](#).
- October 2022 submission regarding the Family Assistance Legislation Amendment (Cheaper Child Care) Bill 2022, accessible [here](#).

Responses to key provisions of the Bill

S 3 – Objects

The objects of the Bill are broadly positive.

However, the Bill's drafting, and the Australian Government's intended use of grant-making powers provided for in the Bill, are deficient to meet the objects of the Bill.

These deficiencies and recommended amendments, and improvements to the intended use of the powers provided for in the Bill, are discussed below.

S 11 - Terms and conditions of grants

Section 11 fails to impose key terms and conditions necessary to meet the Bill's objects.

Despite s 3(1)(d) – an object of the Bill being to “encourage good faith bargaining and the making of enterprise agreements in the early childhood education and care sector” – s 11 does not impose any term or condition on a grant that the provider must: be engaged in collective bargaining; be engaged in good faith bargaining; or be a party to an enterprise agreement. The AEU recommends that s 11 should be amended to impose terms and conditions consistent with s 3(1)(d) of the Bill.

Additionally, in imposing a term and condition that a grant must only be provided to a provider with an enterprise agreement, the AEU recommends that a further term and condition be imposed requiring that such an enterprise agreement must provide for wages and conditions consistent with the Bill's objects at s 3(1), (1)(a) and (1)(b): the agreement should be required to provide “remuneration increases” sufficient to “attract and retain early childhood education and care workers” and “contribute to the ongoing professionalisation of the early childhood education and care sector”.

Section 17 – sunset provision

By imposing a sunset provision, the Bill foreshadows that long-term and repeatable grant-making will not be available to providers. In turn, this disincentivises providers from providing secure employment and secure wage rates to ECEC workers. Such employment and wage insecurity is contrary to the Bill’s objects.

Most acutely, s 3(1)(a) – an object to encourage the “attraction” and “retention” of ECEC workers – is undermined by this provision: ECEC workers and prospective workers are disincentivised from remaining in or entering the sector as the grant-making power relied upon to provide them with improved remuneration is due to expire after 30 June 2028.

The AEU recommends that this provision be deleted.

Explanatory Memorandum and Second Reading Speech

The Australian Government, in the Bill’s [Explanatory Memorandum](#) and [Second Reading Speech](#), does not disclose an intention to impose on grants made per the Bill key terms and conditions necessary to meet the Bill’s objects.

Positively, in the Explanatory Memorandum and Second Reading Speech, the Australian Government indicates that a key condition of a grant would be that the provider passes on a 15% remuneration increase to ECEC workers over two years without passing such costs on to families.

However, neither the Explanatory Memorandum or Second Reading Speech indicates that the Australian Government would impose terms and conditions on grants that a provider be collectively bargaining, bargaining in good faith, or be party to an enterprise agreement, or that an enterprise agreement contain key provisions relating to ECEC workers’ remuneration and its effect on workforce attraction, retention, and professionalisation. For the reasons discussed above regarding s 11 of the Bill, such terms and conditions are necessary for a grant to meet the objects of the Bill.

One of the Australian Government’s disclosed intentions is to provide grants of two years duration. Such short-term grants discourage secure employment and secure wage rates, reducing the Bill’s effectiveness in meeting its objects. For example, noting that enterprise agreements commonly have durations of three or four years, providing grants of two years duration may not encourage providers to engage in collective and good faith bargaining for an enterprise agreement of a longer duration.

The AEU recommends that the Australian Government, in any further Parliamentary material provided in support of the Bill, indicate that it would impose terms and conditions on grants that a provider be collectively bargaining, bargaining in good faith, be party to an enterprise agreement, and that such an enterprise agreement include key provisions relating to ECEC workers’ remuneration and the remuneration’s effect on workforce attraction, retention, and professionalisation. Additionally, the Australian Government should indicate greater flexibility as to the duration of grants made per the Bill.