

15 May 2023

Royal Commission into Early Childhood Care and Education
Kurna Country
GPO Box 11025
Adelaide
South Australia 5001

To the Proper Officer,

RE: Helen Gibbons Witness Statement

Acknowledgment of Country

We acknowledge and respect the continuing spirit, culture and contribution of Traditional Custodians on the lands where we work, and pay respects to Elders, past, present and emerging. We extend our respects to Traditional Custodians of all the places that United Workers Union members live and work around the country.

About United Workers Union

United Workers Union (UWU) is a powerful new union with 150,000 workers across the country from more than 45 industries and all walks of life, standing together to make a difference. Our work reaches millions of people every single day of their lives. We feed you, educate you, provide care for you, keep your communities safe and get you the goods you need. Without us, everything stops. We are proud of the work we do—our paramedic members work around the clock to save lives; early childhood educators are shaping the future of the nation one child at a time; supermarket logistics members pack food for your local supermarket and farms workers put food on Australian dinner tables; hospitality members serve you a drink on your night off; aged care members provide quality care for our elderly and cleaning and security members ensure the spaces you work, travel and educate yourself in are safe and clean.

Why are educators leaving?

Early educators work every day in a system which is complicated, expensive and puts profits above the wellbeing of children, educators, and families. At the centre of this failing system is an escalating and unsustainable workforce crisis. Early educators have been holding together this messy and expensive system for years, but they have reached the end of their tether. Research shows that 30-48% of educators leave the sector each year.¹ For too long, workforce has been a secondary thought in ECEC policy change and this has led to a workforce crisis.

Turnover rates in the sector are unsustainably high; recruitment is in disarray; excessive workloads are compromising quality care and education; understaffing and the misuse of

¹ Thorpe, K, Jansen, E, Sullivan, V, Irvine, S, and P McDonald (2020), 'Identifying predictors of retention and professional wellbeing of the early childhood education workforce in a time of change', Journal of Educational Change vol. 21, p. 639.

'under-the-roof' ratios are rampant; the pandemic has made working conditions even worse; and the long-existing elephant in the room – low pay and high stress – means the best and brightest educators are leaving in droves. The average tenure of an ECEC worker is only 3.6 years.² Moreover, every time an educator leaves their position or the sector altogether, the impact is felt by dozens of children.³ The role of the educator-child relationship is a key indicator of high quality ECEC, and ongoing relationships between educators and children are crucial to their social and emotional learning.⁴ These relationships then provide them with a safe and secure space from which they can learn about and explore the world around them.

Research shows that "while there is no single way to define and measure the concept of quality in ECEC settings, its essence lies in the quality of interaction between adults and children, irrespective of the ECEC system in place... Of particular importance should be elements such as staff/child ratio, staff qualifications and continuous professional training".⁵ High quality ECEC makes all the difference for long-term outcomes, and a professionally paid, respected workforce is integral to that high quality.⁶

What would stop educators leaving? The answer is professional pay.

Pay is the biggest issue and research, employers and governments all agree professional pay would stop educators leaving. An UWU survey of over 3,800 educators in 2021 revealed almost three-quarters (71%) of those workers planned to leave the sector in the next three years. The top three reasons educators were choosing to leave the sector were 'excessive workload and insufficient time to provide quality ECEC', 'low pay – I can't afford to stay' and 'feeling undervalued'.⁷

Educators can often earn more in retail jobs, or other jobs where qualifications aren't required. Most educators are also award dependent⁸ and low pay reinforces educators

² 2021 Early Childhood Education and Care National Workforce Census (2022). The Social Research Centre for the Australian Government Department of Education, p 23.

³ Whitebook, M., D. Phillips and C. Howes (2014), Worthy Work, STILL Unlivable Wages: The Early Childhood Workforce 25 Years after the National Child Care Staffing Study. Centre for the Study of Child Care Employment, University of California, Berkeley, p. 6.

⁴ Howells, S. Lam, B., Marrone R., Brinkman S.A. (2022). Rapid review of the literature and results of an academic pulse survey to determine the evidence behind pre-school for 3-year-old children. Commissioned report for the Royal Commission into Early Childhood Education and Care, South Australia. p. 33

⁵ European Commission (2022). Proposal for a COUNCIL RECOMMENDATION on the Revision of the Barcelona Targets on early childhood education and care. P. 18.

⁶ Howells, S. Lam, B., Marrone R., Brinkman S.A. (2022). Rapid review of the literature and results of an academic pulse survey to determine the evidence behind pre-school for 3-year-old children. Commissioned report for the Royal Commission into Early Childhood Education and Care, South Australia. P. 31.

⁷ Big Steps Report (2021). 'Exhausted, Undervalued and Leaving: The crisis in early education', found at: <https://bigsteps.org.au/wp-content/uploads/2022/08/the-crisis-in-early-education-uwu-report.pdf> p. 3

⁸ Pocock, B. and M. Alexander (1999) 'The Price of Feminised Jobs: New Evidence on the Gender Pay Gap in Australia', *Labour & Industry*, 10:2, p. 84

feeling undervalued and leads to “their work being viewed not as a long-term career path but as a temporary employment solution”.⁹ Pay is at the centre of a cycle that increases turnover rates, placing further stress on educators remaining in the sector – impacting how educators are able to meet the educational, social and emotional needs of the children in their care. This is recognised as an issue internationally, and increasing pay and conditions is widely accepted as a means to increase retention of this important workforce.¹⁰ An immediate increase to the wages of educators was recommended by the Women’s Economic Equality Taskforce ahead of the 2023 federal budget.¹¹

There is a high personal cost to working in a female-dominant industry. Women in industries that are almost entirely female-dominated have been found in some instances to earn 32 per cent less than women with identical characteristics working in almost entirely male-dominated industries.¹² In ECEC, low wages in the workforce are associated with significant levels of financial hardship, economic dependence on parents and partners, stress and mental health impacts, and housing insecurity.¹³ High levels of gender segregation in Australian industries and occupations negatively affect women’s economic security throughout their lives, culminating in particularly impoverished economic circumstances for single women in retirement.¹⁴

Despite regulatory standards that mandate a high level of skill in early childhood education and care work, ECEC remains labour that is economically and socially undervalued because of its historical association with unpaid ‘women’s work’. Everyone in the sector knows that the work of early childhood educators is physically and emotionally demanding and relies on a deep knowledge of childhood developmental stages and the appropriate pedagogies to assist children throughout those stages. And yet misapprehensions as to the level of skill involved in this work are widespread in Australian society and continue to contribute to inaction on improving pay in the sector.

⁹ McDonald, P., Thorpe., K., and S. Irvine (2018). Low pay but still we stay: retention in early childhood education and care. *Journal of Industrial Relations* vol. 60, no. 5, p. 648
<https://doi.org/10.1177/0022185618800351>

¹⁰ European Commission (2022). Proposal for a COUNCIL RECOMMENDATION on the Revision of the Barcelona Targets on early childhood education and care. P. 24 and Zaslow, M. (2022). Early childhood education and care workforce development: A foundation for process quality. Policy brief for the OECD Directorate for Education and Skills. P. 16.

¹¹ Women’s Economic Equality Taskforce (2023). Letter to the Minister for Women re: Women’s Economic Equality Taskforce advice for May 2023 budget.

¹² Pocock, B. and M. Alexander (1999) ‘The Price of Feminised Jobs: New Evidence on the Gender Pay Gap in Australia’, *Labour & Industry*, 10:2, p. 84

¹³ McDonald, P., Thorpe., K., and S. Irvine (2018). Low pay but still we stay: retention in early childhood education and care. *Journal of Industrial Relations* vol. 60, no. 5, p. 648
<https://doi.org/10.1177/0022185618800351>

¹⁴ Senate Economics References Committee (2016) ‘A husband is not a retirement plan’ *Achieving economic security for women in retirement*, The Commonwealth of Australia, April 2016, Canberra; United Voice (2015) *Submission to the Senate Standing Committee on Economics Inquiry into Economic Security for Women in Retirement*, 6 November 2015

For example, in 2017 a then senator, David Leyonhjelm, described the work of early childhood educators as nothing more than 'wiping noses and stopping the kids from killing each other.' Educator Chloe Chant responded to this characterisation by outlining the many tasks her role entails in an open letter that received wide media coverage. Chant narrated the complexities of her work week to Senator Leyonhjelm ranging from mandatory reporting requirements; managing a medical emergency for a baby experiencing febrile convulsions; completing observations, learning summaries and analyses pertaining to a child with a learning delay, along with the day-to-day task of providing individualised education and care for the children in her service.¹⁵

Why doesn't bargaining work in ECEC?

The low pay in the sector is not only a result of the historical undervaluation of care work but also because enterprise bargaining is difficult and largely ineffective in the ECEC. Services are primarily government funded, but there is no ability to bring the Government to the table to fund any improved wage outcomes. Most centres do not have high levels of profit and pitting educators against parents whose fees also subsidise the sector doesn't work. The sector includes highly fragmented workplaces where single enterprise bargaining does not work. Research has shown that larger enterprises are more likely to have a collectively bargained agreement over an award and ECEC is a highly fragmented sector.¹⁶ There are over 17,000 individual centres, over 7200 providers and 80% of the sector is operated by single centre providers. This means educators are far more award reliant than most industries and sectors.¹⁷

Moreover, enterprise bargaining has never been able to remedy the gender pay disparity resulting from gender segregation and the historical undervaluation of care work. As early as 1994, commentators were predicting that enterprise bargaining would not work in ECEC: "Women workers who are employed in the service industries, where 'output' cannot be measured and where there is little scope for technological and organisational change which may increase labour productivity in manufacturing, are unlikely to benefit from enterprise bargaining."¹⁸

Previous Productivity Commission reports have predicted the workforce is 70% award dependent but the recent 2021 National Workforce Census indicated that this is even higher for Certificate III qualified educators. The award dependence varies by other qualifications but close to half of teachers or even service directors are either award dependent or

¹⁵ Chant, C. (2017) 'An educator's open letter to Senator Leyonhjelm on childcare', Women's Agenda, 12 January 2017.

¹⁶ Rozenbes, D. and S. Farmakis-Gamboni (2015), p. 7.

¹⁷ The Australian Children's Education and Care Quality Authority (ACECQA), 2022, NQF Snapshot Q3 2022, retrieved from: <https://www.acecqa.gov.au/sites/default/files/2022-11/NQF%20Snapshot%20Q3%202022%20FINAL.PDF>

¹⁸ Kelly, R. (1994) 'Award restructuring and child care workers 1988-1992,' The University of Adelaide Centre for Labour Studies Research paper Series No. 2, June 1994, p. 18.

unsure.¹⁹ This award dependence is highly problematic when the pay is so low. Thus, it is not surprising that the median full-time earnings for educators is \$500 less than the national median of \$1593. Educators only earn just over \$1000 per week and the median hourly earnings are \$28, again in contrast to the much higher national average media of \$41. Moreover, the patterns of female over-representation in low pay work and non-standard employment arrangements also converge in ECEC. Only 47% of people employed as educators work full time hours. This is 19% below the national average of 66%.²⁰ Women's segregation into atypical work forms is significant because part-time and casual work is associated with reduced wages and diminished career progression opportunities.²¹

What is the history of equal pay cases in Australia?

Australian workplaces are highly gender segregated vertically (the domination of high-status jobs by one men), horizontally (the concentration of men and women in separate industries), as well as by employment status (the relative levels of women doing part-time and casual work). The primary reason for high levels of industrial and gender segregation in Australia is the persistent undervaluing of forms of work that were historically performed by women in the 'domestic sphere' on an unpaid basis.

For most of Australia's history, care work was delineated along gender lines: women would undertake caring work in the domestic sphere on the basis of emotional reward, while their husbands' role was to earn wages to support the household in the public sphere. Under this system, which was entrenched by formally discriminatory industrial relations laws until the last quarter of the twentieth century, work remuneration for women was centrally linked to their gender, rather than the value of the work they performed or the level of skills they used to perform it. Although the formal legal apparatus of gender discrimination has since been dismantled, misconceptions about the low level of skill involved in caring work persist, as does the idea that it is acceptable for caring work outside the home to be low paid because it can be emotionally rewarding.

As a result, early childhood educators, aged care and disability support workers have long faced systemic undervaluation of their work along with inadequate Government funding and the increasing privatisation of their sectors. As the ACTU's report *Delivering Equity for Women at Work* noted, the four drivers of the crisis in care are: undervaluation and problematic equal pay laws; privatisation of the care economy; underfunding; and outdated bargaining laws.²²

¹⁹ Department of Education, 2021 National Workforce Census

²⁰ <https://labourmarketinsights.gov.au/occupation-profile/child-carers?occupationCode=4211> – earnings data sourced from ABS, Survey of Employee Earnings and Hours, May 2021.

²¹ Schuller, T. (2014) 'The Paula Principle: why part-time work holds women back', *The Guardian*, 16 January 2014; Chalmers, J. and T. Hill (2007) 'Marginalising Women in the Labour Market: 'Wage Scarring' Effects of Part-time Work', *Australian Bulletin of Labour*, 33:2, pp.180-201; Pocock and Alexander (1999), p. 82.

²² ACTU (2022). 'ACTU Research Note: Reducing the Gender Pay Gap with multi-employer bargaining', found at: <https://www.actu.org.au/media/1450217/actu-gender-pay-gap-and-multi-employer-bargaining.pdf>

A variety of legal mechanisms have been used to attempt to remedy the historic undervaluation of women's work since the 1980s in Australia and whilst state-based initiatives for recognising the value of work in feminised industries have been more successful, the equal remuneration provisions under Part 2–7 of the Fair Work Act 2009 (Cth) (Fair Work Act) have been successfully used on only one occasion. It was the social, community and disability services sector equal remuneration case (SACS Case) in 2012. In that case, significant pay increases were won based on the undervaluation of care work and a male comparator was not needed. Significantly, the then Federal Government made a submission in the case that they would fund the outcome.

Aged Care workers have just won a 15% 'wage correction' in the FWC and this was only possible because the Federal Government agreed to fund it, as per the SACs case. However, this was achieved through a work value not an equal pay case. There is no current funding commitment from the federal government to fund an ECEC pay correction and regardless aged care workers still need to work hard to hold providers accountable, so we can ensure they are passing on every cent of the pay correction. The case is still running to achieve the initially sought pay correction of 25%.

What happened with the early learning equal pay case?

On the back of the successful SACS case - we lodged an Equal remuneration Order (ERO) in 2013 on behalf of early childhood educators. It became a lengthy, costly and protracted matter and ultimately was dismissed because in 2015 during the case, the Fair Work Commission moved the goal posts for equal pay cases and demanded a male comparator. The pre-requisite of a comparison to male dominated work fails to consider the historical, institutional and cultural undervaluation of feminised work and how industrial standards and benchmarks have been set in Australia. It is almost impossible task because when the comparison of work has always been in reference to work performed largely by men in male dominated industries and the whole industrial relations systems has been premised on formal gendered discrimination. Minimum wages were set around a male breadwinner model.²³

Equal pay cases on the state level in NSW and QLD also said relying on a male comparator was not fair or appropriate. But we had different rules for our case, so in 2016, 3 years after our initial application, we amended our case but asked the commission to consider whether our male comparator was appropriate because we knew we were being set up to fail. Our case was ultimately dismissed. It became clear that women couldn't win equal pay through

²³ The Harvester Decision of 1907 was predicated on the notion of a male breadwinner, whose wage was expected to support himself, his wife and three children in 'frugal comfort.' In 1912, the Fruit Pickers Case set the basic female wage at a proportion of the male basic wage. The notion that 'separate spheres' of work for men and women was integral to the court's reasoning, with differential rates of female pay being imposed so as to avoid the threat of cheap female labour displacing men from notionally male industries. A segregated approach to gender and work was further entrenched by the 1917 Theatrical Case, which determined a living wage for women based on the 'needs of the sexes', and without reference to work productivity.

the FWC and that's why the current Government is changing the legislation. Whilst some reforms to equal pay legislation will happen in June, equal pay cases will still be hard and expensive to run.

Aged Care workers have just won a 15% 'wage correction' in a work value case in the FWC and this was only possible because the Federal Government agreed to fund it, as per the SACs case. However, due to the problematic equal pay laws at the time, this was run as a work value case. There is no similar funding commitment from the Federal Government to fund an ECEC pay correction. Aged care workers still need to work hard to hold providers accountable to ensure they are passing on every cent of the government-funded pay correction directly to workers. The case is still running to achieve the initially-sought pay correction a 25%.

How do the new supported multi-employer bargaining laws make a difference?

The supported bargaining stream of the new federal multi-employer bargaining laws, which come into operation on 6 June will provide a pathway for bargaining with multiple employers at once to set a sector wide standard around pay and conditions. This jumps the first hurdle of the highly fragmented nature of the sector but there is another larger problem – federal government funding of a successful bargain. It is critical that the Federal Government commits to do its part and sit at the bargaining table as the funder.

The sector heard the call from government to collaborate and has already joined together, even before the multi-employer bargaining legislation has come into effect, because they understand it is the quickest answer to the workforce crisis in early learning. Since late 2022, there have been a series of four historic meetings of unions, employers, educators, and peak bodies from across the sector co-ordinated by Early Childhood Australia (ECA) and the United Workers Union. The meetings were about getting ready for a multi-employer bargaining agreement. Representatives from every part of the sector unanimously agreed that low wages are a major contributor to the current workforce crisis and that it is long past time for action.

Now with the laws around supported multi-employer agreements (MEA) set to be in place next month, UWU joins the rest of the sector in calling for the Federal Government to sit at the bargaining table and ensure that ECEC be the first and exemplary case of a successful MEA under the new "supported bargaining" laws. Without a clear public commitment from the Federal government to fund a wage increase through supported bargaining, more educators will leave the sector. Even with the successful work value pay correction for aged care workers, there is a strong likelihood that workers in that sector will pursue the new bargaining laws to set better sector-wide working conditions and pay. Industry wide

bargaining with the main funder – the Federal Government - sitting at the table is the best solution for achieving equal pay in ECEC and multi-employer bargaining is the closest thing we currently have to achieve this.

Kind regards,

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United Workers Union