Submission Response to the ACCC's September 2023 Interim Report for the Inquiry into Childcare Services

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Introduction

The Independent Education Union of Australia (IEUA) welcomes the opportunity to respond to the findings and draft recommendations of the ACCC's second interim report for the Inquiry into Childcare Services.

The IEUA is the federally registered union representing over 75,000 education professionals, comprised of teachers and other education staff, in the non-government sector. Our union represents university educated teachers employed in early education and care services across Australia, including preschools, long day care centres and early childhood teachers that work in early intervention services. The IEU has won improvements in pay and conditions for teachers in community-based centres and negotiated stand-alone agreements for members employed in individual services and larger organisations. We recognise the priorities of the ACCC and our responses are also informed by the priorities and needs of our membership and the wider workforce essential for the early childhood education sector.

The IEU supports the ACCC's finding that the market alone has not met community expectations nor delivered on government objectives for childcare services and policy. We urge the Federal Government, employers, and the community to recognise the interdependence of high-quality early childhood education and the attraction and retention of qualified specialist early childhood teachers and educators. Attracting and retaining the teachers and educators depends upon real improvements in wages and conditions. The IEU calls on the ACCC to recommend that the Federal Government continue to progress interlinked legislative and regulatory measures in industrial relations and early childhood education to accelerate major improvements to wages and working conditions.

A driver of the Australia-wide crisis in early education is the sector's inability to attract and retain early childhood education essential workers. Teachers and educators are being forced out of the sector by low wages and poor working conditions, exacerbated by the current cost of living crisis. The early education crisis will not be solved if the Federal government and employers do not engage in comprehensive, ongoing consultation with early childhood teachers and educators through their unions.

Governments, teachers, educators, unions, and employers universally recognise the importance of high-quality early childhood education. However, many employers, particularly for-profit employers, have not improved wages or conditions for early childhood workers, thereby making it impossible to deliver high quality education. It is only with the Federal Labor Government's *Secure Jobs, Better Pay Act 2022* that the predominantly feminised and ethnically diverse childcare sector, with 96% of workers women and 35% from migrant backgrounds, has had access to fair bargaining opportunities. The IEU, UWU, and the Australian Education Union (AEU) are using the modernised laws to progress these workers' human rights to an adequate standard of living, consistent with Australia's obligations as a signatory to the *Universal Declaration of Human Rights*. A joint multi-employer bargaining application by the IEU, UWU, and the AEU, granted by the Fair Work Commission (FWC) in 2023 aims to extend the benefits of collective bargaining to previously excluded early education workers.

Draft Recommendation 1

The ACCC recommends that the Australian Government reconsider and restate the key objectives and priorities of its childcare policies and supporting measures, including the relevant price regulation mechanism

The Australian Government's key objectives and priorities in its childcare policies and supporting measures must result in a reversal of the workforce crisis of attraction and retention. This reversal can only be achieved by ongoing, comprehensive consultation with early childhood teachers and educators through their unions, to improve wages and conditions and progress measures that value the profession. UWU's recently released national report, *Crisis in Early Learning Centres 2023*, found that:

" … *in spite of millions of dollars in additional Federal Government subsidies to make early education more affordable for families, the crisis has only deepened. Educators continue to leave the sector because they simply can't afford to stay due to low wages, horrific workloads and a genuine concern that the well-being and safety of children is at risk due to the conditions in the sector*."[1]

The Fair Work Commission's landmark authorisation in September 2023 granted the IEU, AEU and UWU teachers and early educators the first ever supported bargaining authorisation. It will see unions and 67 employers bargain for a new national standard covering over 500 centres and 12,000 teachers and educators.

The IEU also recommends that the Federal Government's reconsidered objectives and priorities result in its treating early childhood teachers and educators equitably in all respects with their colleagues employed in primary schools. This includes wages and working conditions, such as school holidays and time working face-to-face with children. Workload Impact Assessments, adapted from the National Teacher Workforce Action Plan, should also be introduced, as discussed in response to draft recommendation 4. This shift in approach to the sector, whereby it is seen on a continuum with schools, will progress quality, equity, and accessibility in childcare services.

Quality early childhood education, like quality schooling, depends upon a stable, experienced, and qualified workforce. Quality in early childhood education is, as the

[1] https://unitedworkers.org.au/wp-content/uploads/2023/10/Centres-reveal-crisis-in-early-learning-National-Report-2023.pdf.

ACCC report finds, a main factor in strong occupancy rates necessary for the viability and profitability of centres.[2] Price regulation mechanisms can only be effective in supporting quality of care and viable occupancy when it is partnered with measures to ensure the economic security and professional wellbeing of early childhood education teachers and educators.

The ACCC report's four cost findings demonstrate that labour is the main driver of cost, followed by land and related costs and location. Input costs, such as wages, must rise to solve the interdependent staffing, quality, equity, and accessibility crisis. Qualitative and quantitative data shows that if labour costs do not increase substantially teachers and educators will continue leaving the sector in record numbers. Because the Federal Government does not employ early childhood teachers and educators and does not own the land or buildings (or directly control land prices, construction costs, interest rates or rent), it is unclear exactly how the ACCC can recommend price regulation. If operators cannot cover their costs and make a profit, they will stop providing the service.

IEU has found there is not a substantial difference in the fees of not for profit services and those operating commercially. Providers that run to minimum ratios and pay staff only award rates appear to be very profitable and tend to be for profit operators. However, providers that pay higher wages and provide superior working conditions seem to have restricted budgets. These operators tend to be not for profits, who also tell IEU they would like to pay staff more and further improve conditions. However, they are reluctant to increase fees because some parents cannot afford increases and increasing fees leads to some parents withdrawing their children. By contrast, commercial operators may direct substantial portions of their earnings to the CEO or other business owners, while paying teachers and educators the minimum under the relevant awards and providing minimal conditions for employees.

Consequently, the IEU recommends the Federal Government reconsider different approaches to childcare policies and measures, including price regulation mechanisms, differently in the not for profit as compared to the commercial sector. The Federal Government should prioritise equity and access for all children and parents, deliver early childhood education sector workers wages and conditions equal to those in schools, and balance this with viable revenue for all operators. An example of a different approach to the not for profit sector, on the one hand, and the commercial sector on the other, is outlined in our response immediately below to Draft recommendation 2.

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[2] ACCC Childcare Inquiry – September interim report, p.28: https://www.accc.gov.au/system/files/Childcare%20inquiry%20-%20Interim%20report%20-%20September%202023_0.pdf.

Draft Recommendation 2

The ACCC recommends further consideration and consultation on changes to the Child Care Subsidy and existing hourly rate cap mechanism, to simplify their operation and address unintended consequences, including on incentives and outcomes. In doing so, we recommend consideration be given to:

(a) Determining an appropriate base for the rate cap and indexing the cap to more closely reflect the input costs relevant to delivery of childcare services. This could include consideration of labour costs as well as the additional costs associated with providing childcare services in remote areas and to children with disability and/ or complex needs

Different stakeholders have different views as to whether increasing costs in the early childhood education sector should be paid by governments, businesses, or teachers and educators in the form of depressed wages. The Australian Childcare Alliance representing centre operators, for example, thinks increasing costs must be covered by increased Child Care Subsidies and increased parent fees, or that otherwise operators will cease providing childcare. For profit childcare operators have continued to pay workers on award rates. The ACCC reports that the number of centres charging above a government cap leapt from 10 to 50 per cent in five years. Average profit margins in the industry were 5.5 per cent in 2023, which is generally regarded as middle range financial performance. However, the ACCC reports there is variability across the sector, with higher profits gained by for profit centres and large operators. Australia already pays the highest government subsidy in the world relative to similar economies, yet the cost of childcare remains the highest in the OECD. The Education Minister Jason Clare observed, based on the ACCC's report, that some operators are price gouging parents and is considering implementing the ACCC's report recommendation to "name and shame" these providers.[3]

Not for profit early childhood education centres use revenue including Government subsidies and parent fees to pay for higher wages and improved conditions for teachers and educators. High quality is more expensive and requires highly qualified employees being paid above-award salaries and conditions and higher staff: child ratios. Any increases in Federal Government subsidies must support parents' capacity to pay across all socio-economic groups by preventing or delimiting fee increases in the not for profit sector. IEU's priority is that taxpayer funded subsidies are not absorbed into profits and instead support the equity and accessibility of childcare and are in harmony with the

[3] Jason Clare, Sky News on Sunday; https://www.afr.com/policy/health-and-education/government-threatens-to-name-and-shame-childcare-centres-gouging-20231001-p5e8w3.

25% wage increase needed by educators and workers currently struggling to survive on inadequate wages.

The IEU calls on the ACCC, when finalising its recommendations on Child Care Subsidies and the hourly rate cap mechanism, to give due priority to matters like how individual centres direct their profits, their level of profitability, and the differences between the not for profit and some commercial operators. Our direct relationships with teachers and educators who are our members working in early childhood education centres, and our engagement with centre operators, has found that not for profits and commercial operators have broadly similar income from fees and subsidies.

However, not for profit providers usually invest their revenue into better conditions for staff and better wages, including some paying employees 30% above award rates and without lifting parent fees. By contrast, commercial operators tend to direct a larger portion of profits to CEOs and shareholders. The IEU calls on the ACCC to recommend substantial increases in the government Child Care Subsidy for the not for profit sector, particularly those with First Nations children, for regional and remote areas, and for children from lower socio-economic homes with less capacity to pay.

Indexing to more closely reflect costs including increased labour costs, higher interest rates, rising land prices and construction costs would definitely assist providers. The Fair Work Commission awarded pay increases of 4.6% in 2022 and 5.75% in 2023 and, as noted above, some not for profits pay employees 30% above award rates. However, the Federal Government would need to significantly increase its Child Care Subsidy budget.

Currently, subsidies for the attendance of children with disabilities covers around 3 hours for staff with a Certificate III to be employed on casual rates, yet a child with disabilities may attend for 10 hours per day. More positive outcomes would be achieved for children with disabilities if services were funded to employ Diploma qualified educators. The large gap between government funding and the cost of inclusion of children with high support needs means all parents at the service are forced to subsidise children with disabilities through higher fees. The inadequate level of government subsidies for attendance of children with disabilities also places another disproportionate burden on parents with less capacity to pay.

Children with complex behaviours, those from disadvantaged families with complex needs, and those with undiagnosed disabilities, including where parents refuse to have children assessed by a professional, attract funding for a maximum of 12 weeks. The IEU notes that the Nationally Consistent Collection of Data on students with disability that applies in schools enables ongoing funding of students with complex needs in the absence of parental permission. To ensure parity between schools and early childhood centres, and to guarantee adequate and ongoing funding and support for students with complex needs and their teachers, it is essential that similar provisions apply in the early childhood sector.

(b) *Changing the hourly rate cap to align with the relevant pricing practice for the service type. This could include consideration of a daily fee cap for centre based day care. Consideration will need to be given to setting and monitoring minimum requirements to avoid creating incentives for childcare providers to reduce flexibility or quantity.*

It is not clear that the government hourly price caps reflect the economic reality for a service that wants to pay their staff appropriately and employ additional staff, rather than only having the minimum required number of teachers and educators in each room and only paying minimum wages. Some for profit providers charge approximately $200 a day but also pay some of their teachers rates comparable with their colleagues in primary schools and are located in very high SES areas where parents want to pay for additional resources, such as gymnastic programs and artists-in-residence. By contrast some centres in low SES areas such as South West Sydney have lower fees but an inadequate amount of equipment for children, high staff turnover and huge difficulty in employing qualified staff because they only offer minimum rates of pay.

The IEU conducted a comparison of fees in the Sydney Metropolitan area for our Equal Remuneration Case in 2018 and found that KU (not for profit provider with high salaries and above-award conditions) were charging similar fees to G8 (for profits where the CEO is paid close to $1 million a year). Our findings were reflected in the research conducted by the ACCC:

Age of children	KU Minimum	KU Maximum	G8 Minimum	G8 Maximum
0-2	$105	$151	$101	$150
2-3	$113	$143	$96	$144
3-5	$95	$149	$74	$142

The explanation is that the for profits charge fees that will ensure they make profits, whereas the not for profits charge fees that ensure they cover the above-award salaries and conditions of their employees.

The Child Care Subsidy cap is currently $13.73 per hour, with a maximum of $137.30 per child per day (families get up to 90% depending on their family income). Centres are open 12 hours and must cover lunch breaks, rest breaks and non-contact time (for programming and the educational leader) and therefore need at least 2 shifts of staff per room. Based on the award rates for the minimum qualifications required for a hypothetical centre (50% of employees must hold a Diploma or higher and we included two teachers for the preschool room with the remaining staff holding Certificate III) IEU found that the $13.73 hourly cap was:

- less than the amount required for salaries in the 0-2 room per day due to the 1:4 ratio
- only a small amount higher than salaries in the 2-3 room due to the 1:5 ratio
- significantly above salaries in the 3-5 room due to the 1:10 ratio

Centres also need to pay rent, electricity, maintenance, food, telephone, internet, payroll/ HR, overtime, casual loadings, and oncosts such as superannuation and leave. We found that 3-5 years are profitable but they are either subsidising the 0-2 and 2-3 rooms in services and/ or parents are charged higher fees for younger children. IEU therefore recommends a higher Child Care Subsidy cap for 0-2 and 2-3 places be introduced.

Further, if a daily rate cap is introduced a service will be able to enrol a child for 6 hours (or less) whilst claiming the same subsidy they receive for a child that attends 10-12 hours. This would potentially allow a centre to claim for 2 children enrolled for 6 hours over their 12 hours opening time. This could significantly increase subsidies that services receive. Instead of enrolling a child from 6.30am to 6.30pm, one child could be enrolled from 6.30am to 12.30pm and another child from 12.30pm to 6.30pm. The ACCC needs then to assess whether a childcare centre would be eligible to receive the daily fee for both children on the same day.

(c) Removing, relaxing or substantially reconfiguring the current activity test, as it may be acting as a barrier to more vulnerable children (for example, households with low incomes or disadvantaged areas) accessing care and creating a barrier to workforce entry or return for some groups. An alternative would be to consider a specific entitlement, such as a certain number of days of care.

Removing or relaxing the current activity test would enable families from low-income households to access more hours of funded care for their children. Research demonstrates high quality early childhood education and care provides substantial positive outcomes, including developmental and social benefits, to these children throughout their lifespan. These are beneficial to our society as a whole as well as benefiting individual families and children. In addition, the provision of 24 hours of subsidised care per fortnight for families whose income is $80,000 per year and who do not engage in “recognised activities” for more than 8 hours per fortnight, combined with a 10-hour rate cap, will provide 2 x 10-hour days plus an additional 4 hours. Low-income parents would need to pay most of the daily fee themselves if they required an additional day per fortnight. In addition, many services are already operating at capacity with the number of staff they have available to work.

IEU recommends that the activity test be removed for families earning less than $120,000 per annum. This will enable these families to receive subsidised childcare that covers increases to their hours of work, including irregular increases which would benefit workers employed on a casual basis.

(d) *Including a strong price and outcomes monitoring role by government, supported by a credible threat of intervention, to place downward pressure on fees*

If childcare costs continue to rise, then childcare fees will inevitably rise. Intervention by the Federal Government that undermines the profitability of services could lead to decreased childcare places if providers exit the market.

The ACCC report finds that wage costs increased by 28 per cent between 2018 and 2022, while fees for parents increased by around 4 per cent each year. The Australian Childcare Centre Alliance representing operators is of the view that wage increases make it harder for services to remain financially sustainable and calls for governments to provide more support to businesses in the sector.

To ensure equity and access for all children and families a strong monitoring role by government, including intervention to depress fees, must not result in not for profit centres having less revenue. On the contrary, intervention by government should consider how to better support the not for profit sector given its ongoing direction of revenue into good wages and conditions and keeping fees lower to remain accessible to children from families with less capacity to pay.

Draft Recommendation 3

The ACCC supports reconsideration of the information gathered for and reported on StartingBlocks.gov.au so that it is better focused on meeting parents' and guardians' information needs, and balanced against the costs of collecting and publishing information. This could include:

(a) *Considering the frequency, granularity and accuracy of information collected and published, to ensure currency for parents and guardians*
(b) *Focusing on publishing information that assists parents to accurately estimate out-of-pocket expenses and relevant information to assist parents assess quality factors*
(c) *Incorporating input and advice from the Behavioural Economics Team of the Australian Government*
(d) *Ensuring information is appropriately and effectively publicized to parents and guardians*

The complexity of the Child Care Subsidy prevents the government website from publishing accurate information regarding out-of-pocket costs because the amount of the Subsidy depends upon income level and the hours subsidised according to the activity test. For example, a family whose income is $80,000 per year if they who do not engage in “recognised activities” for more than 8 hours per fortnight is entitled to 24 hours of subsidised care at 90% of the hourly Child Care Subsidy cap. The % subsidy is decreased by $1,000 for every $5,000 earned by families whose income is between $80,000 and under $530,000 and the number of hours of subsidised care ranges from 0 to 100 hours per fortnight dependent upon their “recognised activities” per fortnight.

For an accurate assessment of out-of-pocket costs families need to use the calculator for each service they are considering – and when there are upwards of 20 services in a local area this is very time consuming. Further, families are far less likely to change services to save a few dollars as the location, availability of places, perceived quality (based on recommendations by friends and family), their child’s happiness at the service and relationships with the teachers and educators, are far more important to them.

Additionally, when searching for centres the default is to sort by distance rather than vacancy. This seems impractical because the most important criteria for families are that they can get their child a place in the service. Other options are sorting alphabetically or by the cost of fees. Sorting by quality rating is not even an option. Using the default in a recent search, the only service in one local area with 7 Exceeding Areas was buried in the list under services with 7 Meeting Areas and even services with Working Towards areas.

As places may be filled or made vacant on a weekly or even daily basis, the Federal Government would need to invest adequate resources to ensure the website is updated to reflect changes.

Draft Recommendation 4

The ACCC recommends that governments further consider how the existing regulatory frameworks support and influence the attraction and retention of educators and workforce in the early childhood education and care sector.

Existing regulatory frameworks mandate the employment of qualified teachers and diploma and certificate III educators, in addition to mandating appropriate child: staff ratios according to the ages of the children enrolled in the service. It is appropriate to retain these requirements as highly qualified staff and high staff: child ratios lead to the most positive outcomes for children and more viable working conditions for teachers and educators.

The IEU recommends that the regulatory framework provides recognition for services that offer above-award wages and conditions. For example, services that pay award rates and offer only those working conditions specified by the relevant awards and/or those that experience high staff turnover and/or those with waivers or staff classified as "taken to be" qualified (enrolled in a qualification) should be rated Working Towards in Quality Area 4 Staffing Arrangements. Only services that offer significantly above-award salaries and conditions, have low staff turnover, and employ fully qualified staff should be rated as Meeting in Quality Area 4.

Our union also recommends that the Federal Government should provide subsidies to employers to pay teachers and educators significantly above-award rates of pay and conditions in the not for profit sector. This includes pay parity for early childhood teachers with their colleagues in primary schools in addition to 11 weeks of paid leave per year. In addition, tax incentives or annual bonuses should be directed at teachers and educators who remain in the industry long-term. The Federal Government should also reimburse early childhood teachers and educators 25% of the cost of their qualification for each year they remain in the industry up to four years. In addition, teachers and educators should be paid for practicum placements.

Excessive paperwork contributes to burnout as it creates significant workload challenges given the lack of time available to complete paperwork during work hours. Centre Accreditation used to be a collaborative process under NCAC (where centre quality was assessed by practitioners currently in the field). It has devolved into a punitive and tick-a-box exercise involving vast sums of documentation (ACECQA's Self-Assessment Tool is 78 pages and their Educational Leader Guide is 153 pages) under the State Regulatory Authorities.

Teachers need more time to focus on teaching, which could be achieved by decreasing demands on time-consuming compliance documentation. Planning for and documenting children's learning should be prioritised over documenting family and community engagement, centre quality improvement goals, reflecting on the service philosophy, documenting how to support community members to become familiar with the Key Resources (National Law, National Regulations, Guide to the NQF, the EYLF and Quality Improvement Planning document) and reflection on service practice, policies, and procedures. For example, a reflective question on page 15 of the Self-Assessment Tool is: "How do we demonstrate that our practice is typical for our service?" Assessors should be trained and experienced practitioners who are confident in observing quality practices during assessment and ratings visits rather than expecting services to provide documented evidence of each of the NQS descriptors.

The self-assessment process includes reflecting on the service philosophy, assessing practice against the National Law and Regulations and the 7 NQS quality areas, identifying strengths and areas for improvement, developing a quality improvement plan, reviewing and reflecting on the self-assessment process and then starting the process over again. Our union questions whether this is necessary.

The National Regulations require a range of policies and procedures to be developed by individual services. These should be provided to services in a pro-forma manner that comply fully with the Regulations, and which can be adapted by services as needed. These pro-forma policies and procedures should be updated by ACECQA whenever there are changes to the National Regulations or new research. The time required to write policies, reference relevant research and review them each year is onerous.

The absence of a Workload Impact Assessment in existing regulatory frameworks negatively influences the attraction and retention of teachers and educators in the early childhood education and care sector. IEU recommends that the Federal Government prioritise a Workload Impact Assessment for early childhood teachers and educators, separate from but comparable to the Workload Impact Assessment in the National Teacher Workforce Plan.

As with schoolteachers, making a Workload Impact Assessment mandatory for assessing existing requirements and all proposed changes should be a priority measures to attract and retain teachers and educators, and improve the quality of childcare. Further, as noted above, changes to the regulatory framework intended to improve attraction and retention of teachers should treat early childhood teachers and educators on a continuum with their colleagues employed in primary schools in all possible matters.

Given the importance of recognising the true value of quality early childhood teachers and educators, there is also a need to increase awareness and accessibility of higher levels of practice. We would therefore like to register a general concern that there is no provision for Early Childhood Teachers to access Highly Accomplished or Lead Teacher certification in Queensland, in the Funding Essentials documents for sessional kindergartens and long daycare services currently being drafted.

Further, we ask the ACCC to consider ways to encourage the expansion into other jurisdictions of groundbreaking legislation being progressed in the ACT. The Education (Early Childhood) Legislation Amendment Bill 2023 introduced in the ACT Legislative Assembly on 26 October 2023 aims to amend the Education Act 2004. If passed into legislation, the Bill will make the ACT the first Australian jurisdiction to enshrine in law access to two years of quality early childhood education prior to formal schooling and recognition in law that children start learning from birth. Such legislation will progress recognition of the importance of early childhood teachers and educators and of their access to higher levels of formal qualifications.

Draft recommendation 5

The Australian Government should consider maintaining and expanding supply-side support options for Aboriginal Community Controlled Organisations that provide childcare and additional support services for First Nations children, parents and guardians.

The IEU supports this recommendation as feedback from our members working in Aboriginal Community Controlled Organisations indicates that these services would not be financially viable without targeted additional funding.

We also specifically recommend that the government increase the Child Care Subsidy for Aboriginal Community Controlled Organisations that provide childcare and additional support services for First Nations children, parents and guardians. These not for profits are usually located in regional and remote areas where lower incomes and lower population means centre occupancy is lower, parent capacity to pay is lower, and therefore centre revenue is low.

IEU members remain deeply committed, following the result of the Voice referendum, in our campaign for greater funding and targeted resources to address educational disadvantage through forums such as the Early Years (Childhood Education) Strategy.

Draft recommendation 6

A market stewardship role should be considered for both Australian and state and territory governments, in identifying under-serviced areas and vulnerable cohorts, along with intervention whether through public or private provision. A competitive tender process is one tool that could be used by governments to facilitate delivery in these areas.

The Federal Government needs to allocate significant funding to support not for profit providers already operating, and to establish new services, in under-serviced areas and in areas servicing vulnerable children.

Successful tenders should be determined by criteria including high quality ratings of existing services, qualifications, and experience of existing employees and offering above award wages and conditions to teachers and educators, rather than the lowest tender to minimise costs.

The ACCC’s finding that households in lower socio-economic areas are disproportionately impacted by even relatively small price changes, means out-of-pocket expenses will have to be minimised or eliminated for low income groups. Our poorly paid early childhood teachers and educators are relying on the Federal Government to implement changes to reduce the burden on lower socio-economic areas and groups and prevent them being negatively impacted by future price changes.

One of ACCC's main findings is that the market has failed to deliver particularly to under-serviced areas and vulnerable cohorts. If the Government runs a competitive tender process, strict guidelines must be in place to ensure the successful tender is legally obligated to deliver equitable and accessible, high quality services for all groups and locations.

Draft recommendation 7

The ACCC supports further consideration of supply-side subsidies and direct price controls. Some changes to the policy settings are likely to reduce the impact of the hourly rate cap as an indirect price control and may warrant a shift to direct price controls supported by operating grants for regulated providers.

If supply-side subsidies are introduced, only not for profit providers should be eligible because their profits are invested back into services and employees, including in the form of salaries, conditions, and professional development.

The recommendations the ACCC makes to the Federal Government in its final report must begin to reverse the failure of market forces to meet community expectations and Government objectives for equitable and accessible childcare services and policy.

Conclusion

The crisis in early education will only be solved when staff attraction and retention deficits are reversed, and pay disparity, unsustainable workloads, inadequate support for First Nations, disadvantaged and additional needs children are addressed. This requires consistent and comprehensive consultation by the Federal Government and employers with teachers and educators through their unions. The use of the modernised laws in the *Better Jobs, Better Pay Act 2022* by the IEU, AEU and UWU to set up tripartite negotiations and win better wages has been a major step forward. The ACCC's final report should demonstrate the need for the Federal Government to come to the bargaining table willing to fund substantial wage increases. The Federal Government has an obligation to ensure an adequate standard of living for the largely feminised and ethnically diverse early education workforce, consistent with Australia's obligations as a signatory to the Universal Declaration of Human Rights.