



Productivity Commission Inquiry into Australia's early childhood education and care system

14 February 2024

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Submitted to: Productivity Commission ECEC Inquiry

The Independent Education Union of Australia

The Independent Education Union of Australia (IEU) welcomes the opportunity to contribute to the Productivity Commission inquiry into Australia's early childhood education and care (ECEC) system. IEU is the federally registered union representing 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. We represent education professionals in early childhood education, faith-based schools, community colleges, non-government institutions and post-secondary services in the non-government sector in all states and territories. We are the only union with coverage of principals, educational leaders, teachers, school support staff and early childhood professionals.

Our union has won improvements in pay and conditions for teachers and educators in a significant number of community-based centres, including agreements for members employed in individual services and larger organisations. At the time of lodging our submission with the Productivity Commission, IEU has approximately 74,800 members. Our choice of questions and our responses to the Commission's draft report are informed by the priorities and expertise of our membership and the wider workforce in early childhood education settings.

We wish the Productivity Commission well in its consideration of these important matters.

Introductory comments

National and international studies have established the paramount importance of early childhood education and care (ECEC) for developing children's cognitive, social, emotional, and physical skills to transition well into school and live healthy and productive lives.¹ Government investment in the formative first five years is more determining of health and academic outcomes than subsequent education and reduces the need for costly intervention programs.² Annual investment for Universal ECEC generates double the invested amount in flow-on economic benefits.³ Price Waterhouse Coopers comprehensive 2019 cost-benefit analysis of ECEC in Australia found a benefit-

¹ Human Rights and Equal Opportunities Commission's (HREOC) Report Emerging Themes: National Inquiry into Rural and Remote Education, 2000: <https://www.oecd.org/australia/1900259.pdf>.

² Centre for Future Work at the Australia Institute, An Investment in Productivity and Inclusion: The Economic and Social Benefits of the TAFE System: <https://futurework.org.au/report/an-investment-in-productivity-and-inclusion>; Human Rights Commission (HRC), Rural and Remote Education Inquiry Briefing Paper School Education for Students with Special Needs, <https://humanrights.gov.au/our-work/rural-and-remote-education-inquiry-briefing-paper-11>.

³ Price Waterhouse Cooper, The Front Project: A Smart Investment for a Smarter Australia: Economic Analysis of Universal Early Childhood Education in the Year Before School in Australia, 2019: <https://www.thefrontproject.org.au/images/downloads/ECO%20ANALYSIS%20Full%20Report.pdf>.

cost ratio wherein for every one dollar invested in ECEC two dollars is generated through increased tax revenues, wages and productivity, and reduced welfare and criminal justice spending.⁴

A well-resourced ECEC system can also significantly reduce intergenerational social injustices because it provides the most beneficial outcomes for children from First Nations, remote, and lower socio-economic and educational attainment backgrounds.⁵ Children who start or fall behind at school typically cannot catch up and may be disadvantaged socially and economically for the rest of their lives.⁶ It is unacceptable that almost 10 per cent of school students need additional support to meet minimum literacy and numeracy standards, identified in the NAPLAN 2023 report as an overall increase of three per cent since 2022.⁷ A far higher percentage of children from disadvantaged groups need additional support, including a third of First Nations children, falling far short of education Closing the Gap targets.⁸ Governments and employers must continue to increase investment in ECEC and its workforce, including through improved wages, conditions and professional pathways.

Despite Australia's legal obligation to treat the best interests of the child as a primary consideration, having ratified the International Convention on the Rights of the Child in 1990, and the highly cost-effective benefits of ECEC, the sector is increasingly unable to function. Governments have failed over the last decade to adequately invest in the existing workforce, and in TAFEs to meet the growing demand for qualified ECEC educators. Further, while most teachers attend universities, the approximately 200 teacher education students enrolled in a 0-5 bachelor degree offered by NSW Institute of TAFE should receive FEE HELP for that course. The benefits of new investment in TAFEs and university courses will be negated, enrolments will continue to decline, and graduates will continue to not enter the ECEC sector, or to leave after a short time, unless governments invest directly in ECEC wages and conditions.

Reliable, high-quality ECEC depends upon attraction and retention of a stable and qualified workforce, benefiting children and workers. The attraction and retention crisis will only be resolved by substantial improvements in wages, conditions and valuing of

⁴ Price Waterhouse Cooper, The Front Project, 2019:

<https://www.thefrontproject.org.au/images/downloads/ECO%20ANALYSIS%20Full%20Report.pdf>

⁵ Institute of Early Childhood Division of Early Childhood and Education, Macquarie University, OECD Thematic Review of Early Childhood Education and Care Policy: Australian Background: <https://www.oecd.org/australia/1900259.pdf>

⁶ Australian Education Research Organisation (AERO), Learning outcomes of students with early low NAPLAN performance, <https://www.edresearch.edu.au/sites/default/files/2023-08/aero-aip-2-learning-outcomes-early-low-naplan-performance-aa.pdf>.

⁷ ACARA, NAPLAN National Results: <https://www.acara.edu.au/reporting/national-report-on-schooling-in-australia/naplan-national-results>.

⁸ ACARA, NAPLAN National Results: <https://www.acara.edu.au/reporting/national-report-on-schooling-in-australia/naplan-national-results>.

the profession. The Federal Government is increasing university places and offering fee-free TAFE and vocational education places in ECEC. This is the right direction and is welcomed by the union movement but will not work in isolation from substantial improvements in pay and conditions. Based on discussion with teachers and educators, our union also recommends ECEC courses be fee-free for those already working in the sector, or that fees be reimbursed for those who work in the sector after graduation to avoid those with no intention of working in ECEC undertaking the free Diploma solely to gain a qualification. However, the skilled ECEC workforce needed will not emerge or be maintained through university and VET fee support and pathway options alone. These measures must be combined with removing the large gap between pay and conditions in the schools and in the ECEC sector.

Solving the attraction and retention crisis will require ECEC teachers and educators to be treated on par with their primary school counterparts in all possible respects including by achieving pay parity and enhancing professionalisation. Substantial improvements in wages and conditions are required to provide its feminised and ethnically diverse workforce with a standard of living adequate for their health, wellbeing, and security, consistent with Australia's ratification of the Universal Declaration of Human Rights.⁹

The agenda for change, for substantially improved pay and conditions, is being driven by unions but to date is being hampered, particularly by a number of for-profit employers. The potential for ECEC workers to access fair bargaining opportunities was delivered by the Federal Government's Secure Jobs, Better Pay Act 2022. The IEU, United Workers Union and the Australian Education Union are using the modernised laws to progress a joint multi-employer bargaining application, granted by the Fair Work Commission in 2023, which aims to extend the benefits of collective bargaining to previously excluded early education workers. To date, for-profit employers have refused the unions' claims unless they are fully funded by government and have even refused many non-cost claims. During the bargaining process, one large employer has gone so far as to try to remove existing conditions such as overtime payments for working between 8 and 10 hours a day and overtime for staff meetings. The Federal Government and employers must come to the bargaining table willing to fund substantial wage increases to ensure an adequate standard of living for the feminised and ethnically diverse ECEC workforce, so that they can afford to continue to deliver high quality education and care to the children of Australia and enable women's economic participation.

⁹ United Nations, Universal Declaration of Human Rights:
<https://www.un.org/sites/un2.un.org/files/2021/03/udhr.pdf>.

The ECEC sector faces complex challenges. Urgent repairs and reforms and long term support and vision are needed. Consultation with professionals and their unions was integral to the development of the Commonwealth's Early Years Strategy 2023. Similarly, the Productivity Commission's consultation with unions will allow the experienced voice of education professionals to provide crucial insights to address the workforce crisis of attraction and retention fundamental for achieving the government's major objective of establishing universal childcare, in the tradition of Medicare and superannuation. We commend the Commission's stakeholder consultation and wish you well in the final stages of the Inquiry.

Draft Recommendation: Reduce barriers to educator upskilling

Barriers should be removed for educators to assist them to build on certificate III, certificate IV and diploma-level qualifications and pursue accredited Initial Teacher Education to qualify as teachers. The education, qualifications and training of the workforce is one of the major factors in ECEC quality across age groups and settings.¹⁰ Educator upskilling will improve the quality of ECEC and contribute, in combination with other measures, to workforce attraction and retention.

One measure to alleviate financial barriers is for teachers and educators to receive government reimbursement of 25% of the cost of their qualification for each year they remain in the ECEC industry up to four years. Further, tax incentives or annual bonuses should be directed at teachers and educators who remain in the industry long-term. The introduction of the paid practicum in 2023 for students in rural, remote, or very remote areas and First Nations EC services, removes what was for many a prohibitive financial barrier, but this needs to be extended to include students in metropolitan areas. Additionally, the ACT's Early Childhood Scholarships Program to support the implementation of the National Quality Framework provides a well-received program model for other jurisdictions to consider adopting.

However, our union cautions against the report's advocacy of accelerated pathways and shortened courses because of predictably negative impacts on the quality of ECEC and on teacher preparedness. Certificate III courses are already offered by RTO's in a minimum of around 13 weeks and diplomas can be completed in approximately 46 weeks. Accelerating or shortening already relatively short courses will reduce educator and teacher capacity. It will increase the stresses upon new professionals and their colleagues in the ECEC ecosystem and community. Truncated education programs are unlikely to sufficiently equip graduate teachers with sufficient support and training. Inadequate training will undermine their ability to implement quality practices in the

¹⁰ Pascoe and Brennan, *Lifting Our Game*, 2017.

classroom. Our union calls on the Federal Government to not proceed with accelerated pathways and shortened courses because this will result in under-prepared staff and increased staff turnover and further undermine ECEC quality.

A wider structural aspect of the financial barriers to educator upskilling is that ECEC students, and also many qualified teachers and educators, cannot afford to live where they work, nor reduce hours of paid work in order to study. Travel and housing support is needed, in addition to paid practicums and scholarships. Research in the Australian Educational Researcher found that 90% of advertised school teaching jobs are in areas where teachers, including those on the highest rates of pay, simply cannot afford to rent or buy a home. For ECEC students and employed educators and teachers, who are paid so much less than school teachers and teacher assistants, lack of these supports is leading to unprecedented levels of housing stress. ECEC educators and teachers are also denied access to work from home as, other than in exceptional circumstances, it is impractical for teachers to work from home due to the relational nature of work with young students and children. Financial supports should be expanded in regional and remote communities where they currently exist and introduced where they do not as economic incentives to make enrolment and completion in ECEC courses viable.

Draft Recommendation: Support innovative delivery of teaching qualifications

Our union is concerned that the Government is defining and limiting innovative delivery of teaching qualifications to:

- online study, which is not ideal and only suited to specific circumstances, or;
- shortened courses which, as outlined above, are not appropriate for already short ECEC courses and will undermine the quality of ECEC and result in under-qualified and under-prepared graduates experiencing unnecessary stress and leaving the profession early.

ECEC educators who are studying to become teachers do need greater flexibility to complete their qualifications, including while working. Quality early childhood education depends upon appropriately qualified and trained teachers and educators having funded opportunities, supported by options such as study leave and time release, to attend ongoing professional development.

The Lifting Our Game 2017 report recommends that ECEC reforms prioritise quality and use targeted investment to support improvements.¹¹ Increasing the number of qualified educators is necessary to support the incremental strengthening of minimum standards

¹¹ Pascoe and Brennan, Lifting Our Game, 2017.

under the National Quality Framework.¹² An additional 16,000 educators and 8,000 teachers will be needed by November 2025, according to the Australian Children's Education & Care Quality Authority's estimates.¹³ Higher ECEC qualifications lead to better child outcomes,¹⁴ but these outcomes will be undermined if the quality of qualifications is decreased by shortening courses or resorting to online study only options in place of better innovations or existing classroom delivery. We encourage provision of a wider range of study options to suit the varied circumstances of ECEC students and professionals.

Draft Recommendation: Lift support and mentoring for new early childhood teachers

Increased support and mentoring for new ECEC educators and teachers is needed. However, support and mentoring cannot be realistically provided without larger structural measures to address the unsustainable workloads driving teacher attrition. Excessive and duplicative paperwork and bureaucratic processes, compliance overlay and the introduction of new requirements make it unfair and unrealistic to expect experienced teachers who are already overburdened to be mentors without release time from other tasks. There are simply not enough staff for consistent and adequate support and mentorship to be provided.

To lift mentoring and support for new ECEC teachers and educators the workforce attraction and retention crisis must be addressed. Two key components of solving the ECEC crisis are Workload Impact Assessments and consultation with unions. It is vital that the Federal Government prioritise introduction of mandatory Workload Impact Assessments for ECEC teachers and educators, separate from but comparable to the Workload Impact Assessment in the National Teacher Workforce Plan.¹⁵ Further, reversing the ECEC workforce crisis will only be achieved by ongoing, comprehensive consultation with teachers and educators through their unions. Australian Children's Education & Care Quality Authority (ACECQA) data shows ECEC centres have been steadily increasing in quality against the NQS.¹⁶ However, millions of dollars in additional Federal Government subsidies has not delivered an affordable and inclusive ECEC system with a stable and qualified workforce.¹⁷ As the ACCC's Childcare Inquiry Final Report concluded in December 2023, the ECEC sector continues to suffer from a

¹² ACECQA, National Quality Framework, <https://www.acecqa.gov.au/national-quality-framework>.

¹³ ACECQA, National Children's Education and Care Workforce Strategy (2022-2031), September 2021.

¹⁴ Pascoe and Brennan, *Lifting Our Game*, 2017.

¹⁵ Department of Education, National Teacher Workforce Action Plan: <https://www.education.gov.au/national-teacher-workforce-action-plan>.

¹⁶ ACECQA, <https://www.acecqa.gov.au/resources/research>

¹⁷ UJU, *Crisis in Early Learning Centres 2023*, [Centres-reveal-crisis-in-early-learning-National-Report-2023.pdf \(unitedworkers.org.au\)](https://www.unitedworkers.org.au).

serious workforce shortage that significantly impacts the supply and costs of childcare.¹⁸ Fixing the workforce shortage depends upon consultation and fair bargaining with ECEC workers' unions.

IEU will consider supporting measures which provide well-structured and well-resourced mentoring and induction programs delivered by qualified and experienced teachers; appropriately trained remunerated experienced teacher supervisors and mentors who have been provided with appropriate time-release; and appropriate and ongoing support and release time for graduate teachers to enable them to transition to higher levels of practice.

Draft Recommendation: Contribute to professional development for the ECEC workforce

Teachers and educators need paid time release to undertake professional development if progress is to be made towards the government's objective of high quality universal ECEC. TAFES are a major avenue for educators to develop specialist knowledge for their professional development, although they do not provide professional development that directly addresses the Australian Professional Standards for Teachers, which is required for accredited and registered university qualified teachers. The \$33 million allocated in the 2023-24 federal budget is an appropriate investment in the training and professional development of the ECEC workforce, to fund paid practicums for teaching students undertaking ITE, introduced in 2023. After a decade of reduced government investment in TAFEs and universities, IEU welcomes the Future Made in Australia Skills Plan and Fee Free TAFE.

The growing demand for qualified ECEC staff who undertake professional development and keep up with new and emerging best practice underlines the need for continued federal government investment in TAFE and university courses to support workforce supply and development. The government has said it is addressing staffing shortages and the crisis of teacher and educator attraction and retention by increasing training. TAFEs are vital to increase the number of qualified educators. However, many newly accredited teachers and educators intend to leave the sector because of the excessive workloads, low pay, and low valuing of the profession. The challenge of inadequate pay in the ECEC sector is demonstrated by considering the very large pay disparity between teachers in long day care, compared to primary school teachers. Long day care *teachers* are averaging 26% less per annum than primary school teachers. Long day care *educators* are earning between 25%-40 less than learning support assistants in primary schools. Rising costs in ECEC cannot be paid for by already under valued teachers and

¹⁸ ACCC, Childcare Inquiry Final Report 2023, <https://www.accc.gov.au/system/files/ACCC%20Childcare%20Inquiryfinal%20report%20December%202023.pdf>.

educators in the form of depressed wages and conditions if the staffing attraction and retention crisis is to be solved and the ECEC system fixed.

The Federal Government has an opportunity to redress extremely low pay and poor conditions in the ECEC sector by providing significant funding to not for profit long day care services, which typically invest in the pay and conditions of staff and provide higher quality ECEC. If the Government gives subsidies to *for profit* long day care services the majority will absorb the subsidies as profit and not improve wages and conditions, as occurred in NSW where subsidies failed. Enforceable enterprise agreements must be made to ensure teachers and educators receive pay increases at significantly above-award rates and achieve pay parity with their colleagues in primary schools, and 11 weeks of paid leave per year.

The Government should also consider how they can better direct targeted funding to Not For Profits (NFPs) as a priority, given their excellent performance in responding to workforce challenges, and to commercial operators, to invest in staff remuneration and conditions, and to support training and enhance professionalisation. NFPs are committed to equitable access and resist increasing fees for fear of excluding children whose parents cannot afford higher fees. Substantial increases in the government Child Care Subsidy are deserved and needed by NFPs and will deliver real benefits in the quality of care and the wellbeing and economic dignity of the workforce.

Draft Recommendation: Improve the ECEC Workforce Strategy

IEU welcomes the National Early Childhood Education and Care Workforce Strategy. However, there remain issues that must be addressed to support recruitment and retention of the 16,000 educators and 8,000 teachers needed by November 2025.

Equitable access to high quality ECEC is a key determinant of the educational, social, and cultural resources and opportunities children will or will not have in their lives. It is also vital for women's paid workforce participation, with all its immediate individual and flow through economic benefits. Equitable access to reliable, high quality childcare depends upon a stable, experienced, qualified workforce to deliver it. The Federal Government will not achieve its objective of quality universal childcare, in the tradition of Medicare and superannuation, unless its ECEC Workforce Strategy provides effective solutions for the attraction and retention of qualified, specialist early childhood teachers and educators. The efficacy of the Strategy depends upon governments undertaking consistent and respectful consultation with teachers' and educators' unions.

The Strategy must have as a central objective establishing the conditions whereby ECEC teachers and educators are treated equally in all possible respects with their colleagues employed in primary schools. Pay disparities between the ECEC and primary school sectors, and also within the ECEC sector, must be removed. Long-term funding certainty across the sector is also necessary to abolish the pay gap between ECEC and schools

and protect children and workers. The ECEC Workforce Strategy should also require and make enforceable mandatory Workload Impact Assessments, distinct from but parallel to the Workload Impact Assessment in the National Teacher Workforce Plan, as a priority measure to attract and retain teachers and educators and ensure quality care.

Lastly, an effective ECEC Workforce Strategy must take into account the ACCC's 2023 and 2024 findings, notably that the market alone has not met community expectations nor delivered on government objectives for ECEC services and policy.¹⁹ The marketisation and privatisation of ECEC provision in Australia has created the conditions for the pursuit by some commercial operators of profit at the expense of reasonable wages and conditions.²⁰ Insufficiently regulated privatisation on this scale of schools, and the listing of schools on the stock exchange, would rightly not be accepted by the Australian community but is now the case in the ECEC sector, despite there being an even higher duty of care with young children and infants. The Federal Government has a responsibility to ensure that commercial interests do not over-ride the economic dignity of teachers and educators, nor impede its progress on building an equitable, high quality, universal ECEC system.

¹⁹ ACCC, September 2023 Interim Report for the Inquiry into Childcare Services: <https://www.accc.gov.au/inquiries-and-consultations/childcare-inquiry-2023/september-2023-interim-report>.

²⁰ Chifley Research Centre, *Investing in Australia's Early Childhood Infrastructure*, 2020; Woodrow, C., & Press, F, The privatisation/marketisation of ECEC debate: social versus neoliberal models, in L. Miller, C. Cameron, C. Dalli, & N. Barbour (Eds.), *The Sage Handbook of Early Childhood Policy* (pp. 537-550), 2018: <https://ebookcentral.proquest.com/lib/uwsau/reader.action>.