

10 lessons

CUPE child care workers can learn from Australia

- 1. Major investments have not gone to improve wages and working conditions.** The Australian government has poured money into child care over the past decade – but it has not gone to the overworked and undervalued front-line workers. In some Australian states, child care workers earn the minimum wage of \$11.80 an hour – less than \$25,000 a year.ⁱ As one child care worker told the media, “We’re looking after the future of our country and getting paid rubbish.” When a major Australian union surveyed child care workers, they found that for 95 per cent of those leaving the sector “the number one issue was low-pay – far ahead of concerns about working conditions or even lack of recognition” – though both are also major problems.
- 2. Giant commercial operators now dominate the child care sector.** One corporation, ABC Learning, has gobbled up more than 20 per cent of the country’s 4,400 child care centres.ⁱⁱ Overall, 70 per cent of Australian child care centres are run for profit.ⁱⁱⁱ As a recent merger with its biggest competitor shows, ABC is on a drive to dominate the child care sector. ABC has also scooped up smaller for-profit and non-profit centres. The corporation, which is worth \$1.3 billion, turns a profit of about \$100,000 per centre – a sum that’s subsidized by government funding for child care to the tune of about 30 per cent.^{iv} ABC Learning centres use only the minimum regulated staff-child ratios, which some say are too low.^v To further pad their profits, ABC is making staff buy their own uniforms at a cost of \$236 each. The corporation has also eliminated a weekly \$10 cleaning allowance.^{vi}
- 3. There are huge challenges to organizing and bargaining in the commercial child care sector.** Child care workers in one region of the country, members of the Liquor, Hospitality and Miscellaneous Union (LHMU), recently launched a pay equity case demanding a wage increase of \$180 a week on their current base wage of \$507 per week.^{vii} A major employer’s response to the case was an application to dramatically reduce already-low wages and poor working conditions. LHMU members in two other regions fought for and won pay equity raises earlier in 2005. The rapid growth of the corporate sector has also led to the rise of “Australian Workplace Agreements,” which are individual contracts outside the collective bargaining process. These deals undercut collective agreements with lower wages and poor working conditions.^{viii} The LHMU reports child

care workers being forced into signing an AWA if they want to keep their job.

4. **Child care workers are leaving the profession.** Not surprisingly, low wages and poor working conditions are driving workers out of the sector into better-paying work, creating a shortage of workers that is running headlong into rising demands for child care. A recent study by the Australian Institute of Health and Welfare found child care workers earn an average \$522 per week compared to the \$964 primary school workers take home. Child care worker wages rose less than 2 per cent a year between 1996 and 2002, compared with primary school teachers' annual 4.3 per cent average raise. The LHMU says as highly trained workers leave the sector, quality care is suffering.^{ix}
5. **The child care sector is in crisis, despite significant investment over the past decade.** According to the Australian Council of Trade Unions, a recent government report warned "the whole industry is in danger of collapse unless there are pay rises to attract more child care staff."^x There is a national shortage of trained workers.
6. **Regulation is poor and quality has not improved.** A system of accreditation has proven weak at best. Centres are regulated by state governments and accredited by a federal body. Critics argue the system is a "farce" because centres can fail the accreditation but still operate and receive federal funding. At the time accreditation was being debated, the LHMU warned it "would use the lowest common denominator approach rather than improving the quality of care."^{xi}
7. **Workers can't find or afford the child care they need.** Child care fees are expected to double between 2002 and 2008, leaving many working families unable to afford care. Even those able to pay the rising fees are hard-pressed to find a spot. In 2004 the Australian Institute of Health and Welfare estimated 175,000 children needed - but couldn't get - a child care spot. That translates into about 20 per cent of parents being turned away from child care centres.^{xii} An expected baby boom will put further pressure on the system.^{xiii}
8. **Communities, especially rural and low-income communities, are suffering the most.** As child care policy expert Lynne Wannan has observed, "the non-profit community-run child care sector is starved of capital funding, and this is holding back the setting up of new centres, especially in regional and poorer areas where private providers can't see a profit."^{xiv}
9. **Profits, not children, are the first priority.** According to LHMU national president Helen Creed, the explosion of the commercial sector has meant

“shifting the focus from provision of quality care to profitability and returns for shareholders. ... government funding is turned into profits for board members and shareholders instead of upkeep of the buildings and providing toys and learning materials for children. Inexperienced operators are also entering the market purely for profits – with no emphasis on the quality of service or the quality of staff.”^{xv} A 2003 financial analysis of the Australian child care sector warned of “concerns that large for-profit operators will be more likely to cut costs to an absolute minimum by, among other things, operating at minimum staff-child ratios.”^{xvi}

10. The biggest player has his eye on Canada. Speaking about Canada’s plans to inject billions of dollars into a national child care program, Eddy Groves told the *Toronto Star* “It sounds like a great opportunity.” Australian unions and child care experts have a clear warning: don’t go down the for-profit road our country chose.

ⁱ “Childcare Sector in Danger of Collapse,” Australian Council of Trade Unions media release, 10 May 2004. http://www.actu.asn.au/public/news/1084146163_27793.html

ⁱⁱ “Corporatised child care to face scrutiny,” *Melbourne Age*, 5 December 2004, reprinted at http://action.web.ca/home/crru/rsrscs_crru_full.shtml?x=70477

ⁱⁱⁱ “Canadian mines ‘big box’ daycare,” *Toronto Star*, 5 Feb. 2005 p. A1.

^{iv} “Law dampens ABC’s aspirations,” Australian Broadcasting Corporation program, 30 May 2005. Transcript available at <http://www.abc.net.au/7.30/content/2005/s1380524.htm>

^v “Dressed to oppress,” *Daily Telegraph* (Australia), 30 June 2005, reprinted at http://action.web.ca/home/crru/rsrscs_crru_full.shtml?x=78866

^{vi} “Dressed to oppress,” *Daily Telegraph* (Australia), 30 June 2005, reprinted at http://action.web.ca/home/crru/rsrscs_crru_full.shtml?x=78866

^{vii} “Childcare workers launch \$180 per week pay claim,” Liquor, Hospitality and Miscellaneous Union media release, 17 August 2005. www.lhmu.org.au

^{viii} Letter from LHMU National President Helen Creed to CUPE National President Paul Moist, 30 March 2005.

^{ix} “Childcare workers launch \$180 per week pay claim,” Liquor, Hospitality and Miscellaneous Union media release, 17 August 2005. www.lhmu.org.au

^x ACTU media release, 10 May 2004.

^{xi} Letter from LHMU National President Helen Creed to CUPE National President Paul Moist, 30 March 2005.

^{xii} “Unions put child care on budget agenda,” *ABC News Online* 6 April 2005, reprinted at http://action.web.ca/home/crru/rsrscs_crru_full.shtml?x=74875

^{xiii} “Baby boom to squeeze child care: ACTU,” *Melbourne Age*, 7 April 2005.

^{xiv} Quoted in ACTU media release, 10 May 2004

^{xv} Letter from LHMU National President Helen Creed to CUPE National President Paul Moist, 30 March 2005.

^{xvi} IBISWorld study cited in “Canadian mines ‘big box’ daycare,” *Toronto Star*, 5 Feb. 2005 p. A1.