

# Labor's promise on childcare wages—another cynical deception

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Australian Labor Party leader Bill Shorten has pledged that if elected on May 18, a Labor government would provide \$10 billion over eight years to fund a gradual 20 percent pay increase for 100,000 low-paid early childcare workers.

Shorten's promise is a cynical exercise to divert the discontent among childcare workers, who are among the lowest paid workers in the country, and all the parents sympathetic to their plight, behind the election of yet another pro-business Labor government.

Labor's record demonstrates that it has no intention of addressing the poor conditions suffered by childcare workers, for which it and the Liberal-National Coalition are both responsible, or by any other section of the working class for that matter.

For a start, the proposed increase amounts on average to around 2.4 percent per annum, which would barely meet the official rate of inflation, let alone the faster rise in the cost of living for working class households, particularly for petrol, electricity, gas and healthcare.

Moreover, the increase will be calculated on what is a chronically low rate of pay. Around 96 percent of childcare workers earn an average of just \$45,000 a year. A junior childcare worker is paid only \$22 an hour. About 5,000 childcare workers on the Educational Services (Teachers) Award are paid between \$50,017 and \$69,208 a year, depending on their level of experience.

Furthermore, some 194,000 workers are employed in childcare but Labor's promised increase would apply to only 100,000 of them. Also, Labor has deliberately avoided stating whether the subsidy would continue in perpetuity, meaning childcare workers could face a pay reduction at the end of eight years.

The promised pay rise amounts to a government-funded top-up, not an award increase, so it could be

terminated at any time during the eight-year period by a Labor or Coalition government on the grounds that new circumstances, such as a recession or war, demand budget restraint.

Not only does Labor's promise leave thousands of workers in a precarious position. It is specifically designed to prevent the emergence of an independent rank-and-file struggle for a genuine improvement in wages and working conditions.

Last year, United Voice, the main trade union covering childcare workers, called a series of limited industrial stoppages and protests by childcare workers, not as part of a campaign to fight for wage increases, but to promote the lie that the election of a Labor government would resolve the issue of low pay. Little wonder that this union has wasted no time in heralding Shorten's fraudulent pay promise as an "historic win."

In reality, the unions have been pivotal to overseeing the deteriorating wages and working conditions not only in childcare, but for workers across the board.

Union bureaucrats have done this by enforcing the anti-strike provisions in the Fair Work industrial laws that were introduced by the last Labor government in 2009, with the full support of the unions. These laws serve to suppress industrial action, while unions negotiate enterprise agreements in line with employers' demands.

Significantly, and without a word of opposition from the unions, Labor has already assured big business that any pay increase for childcare workers, even if short-lived, will be "quarantined" to prevent a flow on to any other section of the working class.

The conditions facing childcare workers did not fall from the sky. They are the product of the privatisation agenda, imposed by successive Labor and Coalition governments, which the unions have done nothing to

oppose.

The drive to privatisation was initiated by the Keating Labor government in 1991 when it expanded federal childcare funding to the corporate sector, abolishing an earlier limit on not-for-profit operators. This was part of Labor's broader pro-market restructuring agenda, which included selling off a raft of public assets, including the Commonwealth Bank, Qantas and electricity services.

Keating's program, extended by subsequent governments, transformed the childcare sector. In 1990, 85 percent of childcare was delivered on a non-profit basis. By 2018, 47 percent of education and care services were run by for-profit providers.

The top 1 percent of these corporate providers operate 32 percent of services, making lucrative profits from \$8 billion-a-year government subsidies, as well as from the substantial fees paid by parents. G8 Education, Australia's largest publicly-listed childcare corporation, made a net profit of \$80.6 million in 2017. Think Child Care made almost \$6 million and Mayfield Childcare \$3.4 million.

Profit-hungry private equity firms have bought many large providers. These include Affinity Education Group, which Anchorage Capital Partners purchased for \$212 million in 2015, then put up for sale last year for \$700 million.

Another private equity firm, Partners Group, bought Guardian Early Learning for \$440 million in 2016. Bain Capital Private Equity owns Australia's largest out-of-school care provider OnlyAbout Children, as well as Camp Australia and Little Learning School centres. Advent Partners owns OSHClub and the Helping Hands Network.

Childcare workers need to draw the lessons of their own bitter experiences. A new Labor government, like its predecessors, will impose the dictates of the corporate and financial elite for deeper cuts to social spending and a stepped-up offensive against the wages and conditions of the working class.

A decisive break has to be made from with pro-business Labor Party and the unions. New organisations of struggle, such as rank-and-file committees, are needed to conduct a unified counter-offensive in defence of jobs, wages and working and social conditions.

In order to succeed, this struggle must be based on a

socialist perspective.

The Socialist Equality Party and its candidates in the federal election advocate the allocation of billions of dollars needed to fund state-owned childcare and decent pay for the sector's workers, and provide other essential social services.

However, this requires the fight for a workers' government that will place the banks, major financial institutions and key corporations and services, including the childcare giants, under public ownership and the democratic control of the working class.

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