

Child-care agreement gets back to valuing workers

by Anne Summers

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Union power comes in many forms and with all the recent brouhaha about alleged thuggish behaviour from officials in the construction and mining industries, it is good to see union efforts benefit some of Australia's lowest paid, yet most important, employees.

In one of his last acts before becoming the new Secretary of the ACTU, Jeff Lawrence, former National Secretary of the LHMU Childcare Union, presided over a unique collective agreement between more than 10,000 childcare workers and ABC Learning Centres, Australia's largest provider of childcare services. The agreement will greatly improve the entitlements of the people who care for our children in the more than 1400 child care centres now controlled by ABC and in the process help to set new standards for the industry as a whole.

ABC is often criticised for its insatiable appetite for swallowing up smaller centres and for the apparent corner-cutting that delivers it record profits each year but this agreement shows a different side to the company. Under the agreement, workers in an industry that has historically undervalued and underpaid them have gained significant wage increases and a number of sought after non-wage benefits.

The Liquor, Hospitality and Miscellaneous Union started trying to organise ABC employees over two years ago, before WorkChoices became law, after it became concerned at the increasing corporatisation of the childcare sector and the resultant unfriendly attitude to unions. "We had to get a handle on it," says Annie Owens, the NSW Branch Secretary of the LHMU. "We had not had much success organising childcare workers". ABC had already begun to put staff onto Australian Workplace Agreements (AWAs) and, on the face of it, did not seem like the sort of company that would get into bed with a trade union.

The union did not have many members within ABC so it commissioned a series of focus groups with ABC employees in NSW and Victoria to find out what their employment issues were. Perhaps surprisingly, given the low wages of childcare workers (around \$500 per week) remuneration was not the main one. Instead, staff – 95 per of whom are women - focused on the quality of care being delivered, and their desire to be taken seriously as professionals.

The package that was ultimately agreed to by the company and the union and which staff adopted via an internet voting system conducted by an external contractor (engaged by ABC, as required by law) came into effect in January this year. Its key provision involves a 2 per cent annual pay rise for the two years of the agreement plus pay increases of between 11 and 20 per cent to reflect the phasing in of pay equity and work value increases awarded by state Industrial Relations Commissions prior to WorkChoices and which the company has agreed to honour. (One of these decisions, by the NSW IRC, awarded pay rises ranging from 20 to 50 per cent for childcare

workers in that state, to be phased in over a two year period; these raises were put in jeopardy by WorkChoices since an individual agreement could have nullified them.)

However, the ABC agreement also provided for such things as paid time to prepare programs for children, free uniforms, paid tuition for further **tertiary** study and – something employees had been most bolshie about – the use of external cleaners in all centres. (Previously childcare workers were often expected to clean).

The agreement has proved very popular with employees, with more than 90 per cent of ABC staff in over 900 centres voting in favour of it. In the process, some “hundreds of staff” (to quote the union press release) took up the option to terminate their AWAs in favour of the collective agreement. The LHMU Childcare Union won’t disclose how many new members it has gained as a result of the agreement – “lots” is all it will concede - but it is noteworthy that ABC’s Chief Operating Officer, Jillian Reynolds, has praised the union: “Credit should go to the LHMU Childcare Union which was involved in helping develop the agreement from the beginning,” she says.

Interestingly, the government is also trying to share the credit for this agreement, claiming on its WorkChoices website that the ABC changes were “made under WorkChoices”. This is a bit of a long bow since government policy favours individual or workplace agreements, whereas ABC Learning in Australia consists of more than 400 regional management centres that operate under license and which previously had a multiplicity of work and remuneration arrangements. Annie Owens describes the government’s stance as “shameless” since, she points out, they are trying to prevent multi-centre agreements for other workers such as cleaners, also represented by the LHMU.

Just last week, Workplace Relations Minister Joe Hockey attacked Jeff Lawrence over the ABC deal, saying the 2 per cent wage increase was lower than the recent minimum wage decision. In fact, the agreement provides for an annual increase of 2 per cent or the Australian Fair Pay Commission rise *whichever is greater*, plus the pay equity increases and the non-wage benefits, which Mr Hockey neglected to mention.

The collective agreement will inevitably add to the ABC bottom line but Eddie Groves, the savvy Global CEO of ABC, has said the agreement “will ensure a higher standard of care across all of our centres and increase the number of qualified early childhood professionals available in Australia”. Groves was very hands on in the negotiations, persuaded apparently that the agreement will improve staff retention in what has become a very tight market. ABC has been vulnerable to criticism from staff and parents about the quality of care in its centres, so it will be worth tracking whether this agreement marks a turnaround in conditions – and perceptions. If so, getting into bed with the union might turn out to have been a smart business move on the part of Eddie Groves.