

United Workers Union
Pre-Budget Submission 2026–27

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Acknowledgement to Country

The United Workers' Union is a national trade union. We acknowledge and respect the continuing spirit, culture and contribution of Traditional Custodians on the lands where we work, and pay respects to Elders – past, present and emerging. We extend our respects to Traditional Custodians of all the places that United Workers' Union members live and work around the country.

About the United Workers' Union

United Workers Union ('UWU') is a powerful union with 150,000 workers across the country from more than 45 industries and all walks of life, standing together to make a difference. Our work reaches millions of people every single day of their lives. We feed you, educate you, provide care for you, keep your communities safe and get you the goods you need. Without us, everything stops. We are proud of the work we do – our early childhood educators are shaping the future of the nation one child at a time; supermarket logistics members pack food for your local supermarket and farms workers put food on Australian dinner tables; hospitality members serve you a drink on your night off; aged care members provide quality care for our elderly and cleaning and security members ensure the spaces you work, travel and educate yourself in are safe and clean.

Introduction

Despite a modest return to real wage growth, the cost-of-living crisis continues to place substantial pressure on Australian workers.¹ Housing affordability remains an acute challenge, particularly for essential workers. Anglicare Australia's recent *Rental Affordability Snapshot: Essential Workers* demonstrated that only a small fraction of rental properties were affordable for workers in aged care, early childhood education, cleaning, or social and community services.²

Foodbank's report *'It's about more than food'* also found that escalating essential costs - including housing, groceries, utilities and healthcare - were a primary driver of food insecurity for 82 per cent of affected households.³ The lived experience of UWU members reflects these findings. One aged care worker told us:

I'm a single parent with 3 girls living at home and they're missing out on a lot because things are so expensive... I have housing costs, groceries, petrol and bills...I have to put aside \$200 per fortnight just to pay for gas and electricity and even then, I'm still catching up on things so that they're not overdue.

While the Albanese Government has delivered significant reforms - including wage increases for early childhood educators and aged care workers and expanded paid parental leave - there remains an urgent need for further action. Improvements are required not only in wages, but also in job security, staffing levels, visa pathways, and procurement standards for government-funded work.

In the 2025 election, the Government was given a clear mandate to strengthen essential services such as early childhood education and care (ECEC), disability support, and aged care. It also has a critical opportunity to use Commonwealth spending to drive better employment standards, particularly in sectors characterised by low wages and insecure work, such as cleaning and security.

Delivering high-quality outcomes in ECEC, disability support, and aged care depends on secure, well-paid, and professionally supported workforces. Ensuring high standards in the jobs that underpin support and care is essential to ensuring high standards in the support and care itself. Similarly, insisting on stronger employment standards and labour compliance in government procurement, helps improve pay and conditions across the broader workforce.

UWU's recommendations

1. The Federal Government commits to maintaining the 15 per cent increase to educators' wages, either through continuing the Worker Retention Payment (WRP) or in another form.
2. Further, the UWU urges the Federal Government to ensure educators' wages rise faster than the increases awarded through the FWC Gender-based undervaluation review of the *Children's Services Award 2010*. In addition to the 15 per cent paid via the WRP, wages should also increase by at least 5 per cent in June 2026 and again in June 2027, in addition to any increase granted through the annual FWC Annual Wage Review process.
3. The Federal Government should ensure the above increases are also provided to ECEC workers who are not receiving wage increases through the FWC gender-based undervaluation review, such as teachers and support staff.
4. The Federal Government should review Inclusion Support Program (ISP) funding and commit to ensuring all children with additional needs are fully supported by developing staffing ratios which recognise the number of children with additional needs.

5. The Federal Government should commit to more than a 'stewardship' or funding role in early learning. They must become central in providing it. The Government should build a world-class, high-quality early learning education system that is public and universal, and that directly employs and professionally pays educators. As a first step, it should co-operate with State Governments to develop and trial publicly run, fit-for-purpose long day care (LDC) centres that directly employ educators as a first shift towards public early learning provision. Where possible, these centres should be co-located with schools and initially targeted in low socio-economic areas.
6. The Federal Government should fund a disability support sector workforce census and accompanying workforce strategy.
7. The Federal Government should allocate funding to the establishment of a portable leave scheme for the disability support workforce.
8. The Federal Government must account for the true cost of delivering high-quality disability support in any funding decisions, including consideration of bargained and other above-award rates, career progression, paid time training and meetings. This should include investigation into the adoption of a block funding approach that enables adequate funding of non-direct client facing NDIS work.
9. The Federal Government must fully resource the regulators of the aged care sector (the Aged Care Quality and Safety Commission, and the Department of Health, Disability and Ageing) ensure that care-time targets and other quality-of-care measures are being fully met by all providers, including by private, for-profit providers, through both proactive investigations and by acting on information provided by workers and care recipients.
10. The Federal Government should create a self-sponsored pathway to permanent residency, through which migrant workers on temporary visas can apply for permanency while covering their own application costs.
11. The Federal Government should fund full access to Child Care Subsidy (CCS) for all migrant aged care workers and their families, regardless of visa status.
12. The Federal Government should invest in a pilot program for cultural competency in the aged care sector, with a focus on improving cultural safety for migrant workers.
13. The Federal Government should fund pay increases for aged care support workers (e.g. in catering, cleaning, laundry, and maintenance) sufficient to bring their wages

into line with other aged care workers who received the full benefit of the work value case.

14. The Federal Government should establish a network of 'Home and Community Worker Hubs', that build social connections for care recipients and allow home care workers easier access to:
 - a. Professional and safety training.
 - b. Government information about aged care rules and regulations.
 - c. Information about worker rights and access to their union.
15. The Federal Government should end the outsourcing of cleaning services at Parliament House by transitioning cleaners to direct government employment, recognising their essential role, and right to secure, decent work as equally valued members of the Parliament House workforce.
16. Government procurement decisions should not lead to the erosion of wages and conditions for cleaners and security guards who work hard to keep our buildings hygienic and safe. The Federal Government should commit to immediately restoring above award wages and conditions for cleaners and security guards employed under the Defence Department's newly awarded base services contracts, underpinned by a multiemployer enterprise bargaining agreement.
17. The Federal Government should improve job security for cleaners and security guards during contract changes by placing an obligation on incoming suppliers to offer employment to the existing workforce.
18. The Federal Government should support a fair and effective bargaining process in Australia's detention centre network by requiring the Department of Home Affairs and the Australian Border Force to actively address understaffing, safety risks, and workforce instability during the 2026 enterprise agreement negotiations.
19. UWU supports the establishment of a Secure Australian Jobs Code. In developing and implementing the Code, the Federal Government should ensure that it:
 - a. Requires suppliers to demonstrate the highest ethical and labour standards across their business.
 - b. Supports meaningful collective bargaining that delivers safe, secure, family-sustaining jobs.

- c. Establishes a specialist unit or independent body to assess compliance, enforce standards, engage with unions, and train procurement officials.
- 20. The Federal Government should increase transparency and accountability in cleaning and security contracts through mandatory due diligence and labour-standards reporting and fund a pilot with the Cleaning Accountability Framework (CAF) to assess whether its cleaning contracts are compliant with responsible procurement and fair labour standards, and work towards CAF Certification of key government buildings.
- 21. The Federal Government should use its market influence to lift cleaning industry labour standards by mandating CAF Certification as a leasing requirement for government office space leased from commercial landlords.

Early Childhood Education and Care

The Federal Government has been making strides in its commitment to universal ECEC, yet there is more work to be done. Educators in the sector have been raising their voices about the workforce crisis for years, with educators leaving in droves due to poor wages and intense workloads.

Fair wages are critical to ensuring the sector can attract and retain skilled educators. UWU welcomed the Federal Labor Government's moves in its first term to stabilise educator turnover in the sector by funding a 15 per cent pay increase. In 2023 UWU ECEC members fought for and won the first ever supported bargaining authorisation for the sector. The *Early Childhood Education and Care Multi-Employer Agreement 2024-2026* covered 64 employers and gave over 12,000 employees access to the 15 per cent pay increase.⁴ As of 19 December 2025, this has increased to 522 employers and over 45,900 employees as per the Fair Work Commission's (the Commission's) decision on the latest tranche of applications.⁵ Similarly, the *Goodstart Early Learning Enterprise Agreement 2024* (for the largest ECEC provider in Australia), negotiated with UWU, covers over 15,500 employees and also gives them access to the 15 per cent pay increase.

While low wages are not the only problem in the ECEC sector, attraction and retention of staff to meet the current workforce shortages in the sector is nigh on impossible without improved wages. As discussed below, staff turnover is a critical issue in the context of child safety and the quality of early childhood education delivered in services. Improved pay and conditions reward educators for pursuing a career in ECEC and promotes the professionalisation of the workforce.

UWU ECEC members were shocked and disappointed by the Fair Work Commission's December 2025 ruling in the gender-based undervaluation proceedings, which determined that wage increases under the *Children's Services Award 2010* would be phased in over three-and-a-half years rather than the shorter timeframe proposed by the UWU.

The Commission's December 2025 decision places future gender undervaluation increases outside the Worker Retention Payment (WRP) timeframe by extending the full schedule of rises to 2029. As a result of the Commission's ruling, not only will urgently needed wage increases be delayed, but many educators face the prospect of going backwards in their award pay once WRP funding ceases in November 2026.

This situation runs counter to the near universal recognition that the ECEC sector must retain experienced educators and attract new workers to provide quality education and care. Instead

of promoting workforce stability, the Commission's decision to set a long phase in period for new educator wage rates risks accelerating the departure of workers ahead of potential pay reductions, undermining the stability required to support the Government's agenda for high quality, safe, and universal ECEC provision. Without timely government intervention, workforce instability will grow, threatening the viability of reforms intended to expand access to high-quality early learning and to improve safety across the sector.

Accordingly, in addition to the 15 per cent increase delivered through the WRP, the Government should fund further wage rises of up to 5 per cent in June 2026 and again in June 2027. These increases must be provided on top of, and not absorbed into, any adjustments arising from the Annual Wage Review. Importantly, they should also cover teachers and support workers as excluding these workers will exacerbate workforce instability and place the Government's ECEC ambitions at further risk.

Whilst the proportion of long day care services (LDCs) with a staffing waiver in place has been dropping since 2023, the sector is still experiencing a shortage of educators and early childhood teachers.⁶ Jobs and Skills Australia noted that currently the sector is under 'significant strain',⁷ and the current workforce would need to grow by an estimated 8 per cent to meet current unmet demand for ECEC services.⁸ On the ground, educators are reporting that understaffing in their services is reaching critical levels. A survey conducted by UWU in June and July 2025 (Quality and Safety Census) of more than 3,000 early childhood educators found 77 per cent of educators said their centre is operating below minimum staffing requirements at least weekly. Alarming, 42 per cent say it is happening daily.

Almost three-quarters of educators (72 per cent) said understaffing led to an increase in children hurting themselves or others. There are also impacts on the quality of early learning that can be delivered by educators. Three quarters of respondents said understaffing left children without emotional support, and 69 per cent said education standards were compromised by a failure to meet minimum staffing levels. It is a vicious cycle, whereby lack of permanent staff increases workloads, leading to dangerous incidents, which in turn create additional paperwork which detracts from time that could be spent educating and caring for children.

Compounding this problem is the lack of support for children with additional needs through the Inclusion Support Program (ISP). As noted by the Productivity Commission in its 2024 report on ECEC, the ISP is predominantly used as a form of support for children with a disability.⁹ The ISP's scope has become more limited over time despite the intention of the program being one of broad inclusivity. Educators are reporting that formal diagnosis of young children in their centres is a significant barrier to a service receiving funding for additional educators

through the ISP and wait times for funding and support have blown out as applications have increased. A 2023 Department of Education review into the ISP found services are waiting weeks if not months for funding.¹⁰ However, it may take years for a child to receive a diagnosis due to a combination of factors, and a holistic view of a child's circumstances means there might be more than one type of support that is needed – family circumstances are complex. The centre is sometimes placed in the difficult position of being unable to apply for inclusion support for a child where it is needed. If there is no diagnosis, and no support through the ISP, and if providers are not able or willing to cover the additional cost of inclusion support, the extra work falls on educators. This is happening far too often. And yet, where ISP-funded support is provided, it is often not enough when services are already acutely understaffed.

The workforce crisis and a lack of support through the ISP have resulted in ISP-funded educators being used in centres to cover breaks of other staff and to meet ratio in the room, completely negating the support an extra educator would provide. Only 16 per cent of educators in the Quality and Safety Census said ISP-funded educators were being utilised as an additional educator for a child; more commonly they were used to support all children in the room (33 per cent), or to fulfil ratios (18 per cent). Almost 1 in 5 of surveyed educators said there was never an additional educator to provide extra support (19 per cent).

The lack of support through additional staffing is not fair on either educators or children. Almost two-thirds of educators (66 per cent) in the Quality and Safety Census said understaffing means children who need additional support are not being provided that support. This creates dangerously unsafe environments for children, highly stressful environments for educators, and directly affects the quality of early learning and care that can be provided to those children. Educators in the Safety and Quality Census identified ratios as a key solution to the linked issues of workload and supporting children with additional needs, and so UWU calls on the Federal Government to review ISP funding, and commit to ensuring all children with additional needs are supported through staffing ratios that recognise that there are many children who need and would benefit from additional support.

The Federal Labor Government must aim higher than a 'stewardship' or funding role in early learning. They should be central in providing it. Early learning should be the very first stage of the public education system in Australia. As a first step, the Federal Government (working with state governments) must fund, develop and trial publicly run, fit-for-purpose long day care (LDC) centres that directly employ educators as a first shift towards public early learning provision. Where possible, these centres should be co-located with schools and initially targeted in low socio-economic areas.

Publicly provided ECEC can deliver high-quality early learning and care and ensure that all government funding is tied to delivering that service. Public provision of ECEC improves accessibility for all families and improves the quality of early childhood education through a stable, professional workforce with directly employed, permanent jobs. It would enable government to take a direct role in addressing the workforce issues outlined above, and more effectively plan for the sector's future, including the capacity of the ECEC workforce as demand for services continues to increase.

Disability support sector

Attraction and retention continue to be significant issues in the disability sector. Low wage rates, insecure work, elevated levels of casualisation and part time work, workforce shortages, frequent cases of occupational violence, and limited career opportunities all contribute to this situation.

These workforce conditions have been evident since the full roll out of the NDIS and yet there have been few attempts to collect workforce data and undertake workforce planning. There is no workforce census in this sector to collect demographic data and understand the significant attraction and retention issues at play. There has been no workforce strategy to lay a clear path for the sector, enable holistic workforce planning, and to address workforce conditions hampering attraction and retention.

UWU disability support members thus call for Federal Government funding of a workforce census and accompanying workforce strategy.

The workforce crisis in the disability sector is only going to get worse if wages are not competitive with other support and care sectors and if funding mechanisms put downward pressure on wages, as workers have seen with the NDIS. Shifting workforce around various parts of the care economy is not a solution. Wage increases in aged care due to the work value case have already anecdotally had an impact on the disability support workforce, with workers moving to aged care for higher wage rates.

Many tasks critical to disability support work are not performed by workers in paid time. NDIS pricing currently constrains workforce conditions, including the setting of wage rates that are based on modern award rates at entry level classifications. As a result, time for paid training, team meetings and peer support is not factored into the pricing beyond mandatory training. UWU members regularly report unpaid working time to complete administration and note taking, to communicate with families or other providers, and to handover to the next worker on shift. Doing this work alongside direct support is crucial to building a highly skilled and supported workforce and should be adequately funded by government and undertaken by workers in paid time.

Due to low wages and insecure work, the disability sector has high rates of multiple job holding. A portable leave scheme for disability workers would enable workers to accrue leave entitlements across these multiple jobs. As such, UWU recommends that the Government should establish a portable leave scheme for the disability workforce. Such a scheme could also encompass home care workers in aged care.

Further, UWU recommends the Government account for the true cost of delivering high-quality disability support in any funding decisions for the 2026/27 budget. The NDIS currently puts a ceiling on wages and entrenches low pay and dead-end careers. Awards are only safety net minimum pay rates. Funding allocations must consider bargained and other above-award rates, as well as the progression of workers to higher classifications with greater experience, they must account for paid time training and meetings and ensure all work is undertaken in paid time. Furthermore, if wages funding goes from government directly to providers, policy levers must quarantine funds to ensure it goes into the pockets of workers and not redirected to profits by providers. UWU suggests the Government consider reforming NDIS pricing to provide block funding to enable non direct client facing work as described above, to be adequately funded. This would enhance worker experience and therefore improve attraction and retention as well as improving the participant experience.

Accountability and transparency mechanisms in all funding systems are paramount when privatisation and the individualised nature of funding is so significant in such key social services. UWU strongly supports having all NDIS providers registered with the NDIS Commission, commensurate to risk, to ensure transparency and accountability and quality service provision. Registration should include a requirement to meet minimum employment standards. Further, UWU supports the screening of all workers in the NDIS, and screening should include mandatory introduction training on a human rights-based approach to disability, workplace rights, and the NDIS Code of Conduct.

Aged care sector

UWU welcomes the commencement of the new *Aged Care Act 2024*, alongside the broader reform agenda undertaken by the Albanese Government to address longstanding weaknesses in Australia's aged care system. However, further action is required to ensure consistently high-quality care for older Australians. Achieving this outcome depends on addressing critical workforce issues, including:

- The attraction and retention of a long-term securely employed workforce - particularly migrant workers - to mitigate ongoing workforce shortages.
- The persistent pay inequities between care workers and support workers within the aged care system.
- The ability of workers across the sector to access appropriate training, accurate information and to exercise their workplace rights.

The Federal Government must also invest in the capacity and responsiveness of aged care regulators to ensure that care time targets, and other measures of quality care, are being fully adhered to by all providers, especially private, for-profit providers.

The *Final Report of the Aged Care Taskforce (2023)* highlights the urgency of these challenges. Australia's population aged 70 and over is projected to grow by approximately 2.3 million people over the next two decades, with the population aged 85 and over expected to more than double to just under 1.4 million by 2042.¹¹ To meet this rising demand, analysis by the Committee for Economic Development of Australia (CEDA) indicates that Australia will require an additional 17,000 direct care workers each year from 2020 to 2030. If action is not taken, there will be a cumulative shortfall of 110,000 workers by 2030.¹² This shortfall spans residential aged care, home care, and support roles.

Migrant workers form a critical part of this workforce. The 2021 Census found that around 40 per cent of Australia's aged care workforce are migrants, many of whom hold temporary visas.¹³ UWU's 2024 *Aged Care Migrant Workforce Survey* - completed by more than 3,500 workers - found that 77 per cent of respondents were on Student or Temporary Graduate Visas, with almost all seeking a permanent pathway to remain in Australia. Approximately 80 per cent expected their visas to expire within two years, with 62 per cent reporting expiry within 6 - 12 months and a further 16 per cent within two years. These findings indicate a rapidly approaching and severe 'visa cliff' that will deepen workforce shortages unless addressed urgently.

A key strategy to mitigate this shortfall and improve long-term workforce retention is to introduce a self-sponsored permanent residency pathway for aged care workers. Currently, permanent residency sponsorship is at the discretion of employers, many of whom refuse to sponsor workers due to the costs. A 'self-sponsorship' arrangement for migrant workers in aged care could be facilitated through negotiated changes to the Aged Care Industry Labour Agreement (ACILA). By enabling migrant workers to self-fund and initiate their own permanent residency applications, the Federal Government would reduce workers' vulnerability to employers who may otherwise use the prospect of sponsorship as a means of exploitation. A self-sponsorship pathway would provide migrant workers with greater control and certainty over their migration status. It would also generate additional revenue for government through application fees from workers, rather than relying on employers who may be reluctant to pay or prefer to keep vulnerable workers in a visa 'limbo'. A further barrier facing migrant workers - particularly those with children - is their limited access to early childhood education and care through the Child Care Subsidy (CCS).¹⁴ As aged care remains a historically low-paid sector, paying full early childhood education fees places significant financial strain on migrant workers and increases the likelihood of them leaving the sector or Australia altogether. Funding full CCS access for all migrant aged care workers, regardless of visa status, would improve retention, reduce financial pressure and enable more workers with caring responsibilities to move from part-time to full-time employment.

Cultural safety is fundamental to a high-quality aged care system. Given the substantial contribution of migrant workers to the sector, aged care environments must be supportive and inclusive. The Royal Commission into Aged Care Quality and Safety identified cultural safety as an essential component of quality care. The Federal Government should therefore fund a pilot cultural competency training program for providers, management, and staff more broadly that reflects the diversity of the workforce and the older people they support, including those from culturally and linguistically diverse (CALD) and Aboriginal and Torres Strait Islander backgrounds.

While care workers in aged care were pleased with the 15 per cent pay increase in the work value decision, support workers - including those in catering, cleaning and laundry - unfortunately received significantly a lower pay increase of around 7 per cent, while maintenance workers received only 3 per cent. These roles are critical to maintaining quality of care and safe environments, and they should be recognised and remunerated in line with other aged care workers.

Unlike residential aged care workers, home care workers often work in isolation, travelling between clients' homes rather than sharing a common workplace. This isolation limits access

to training, peer support, information on rights and standards, and opportunities to organise for better working conditions through their union. To address this, the Federal Government should establish a national network of publicly funded *Home and Community Worker Hubs*.

These Hubs would provide:

- Access to professional and safety training
- Up-to-date information on aged care rules and regulations
- Information about workplace rights and pathways to union support

The Hubs would also create valuable community spaces for care recipients, fostering social connection and improving continuity of care. Importantly, the Hubs should be provider-independent and could be open to both aged care and in-home disability workers.

Supporting good cleaning and security jobs through Commonwealth spending

The Commonwealth Government is uniquely positioned as both a direct employer and a major purchaser of services to support good jobs, by setting high labour standards, supporting ethical business practices and delivering high-quality public services. This is especially critical in high-risk sectors such as cleaning and security, which are recognised by the Government as facing some of the highest risks of modern slavery and worker exploitation.¹⁵ Workers in these industries face entrenched vulnerability due to:

- Complex supply chains, including pyramid subcontracting and sham contracting.
- Aggressive price competition and low barriers to entry for providers.
- Temporary migrant workforces with precarious visa conditions.
- Workers with low English proficiency, limited social networks, and little ability to advocate for themselves.
- Insufficient monitoring and enforcement of labour standards.
- Opaque procurement and contracting practices.¹⁶

As a result, wage and superannuation theft, unpaid training, forced unpaid overtime, wage stagnation, precarious work, and unsafe conditions are common. Exploitative practices also include immigration-related coercion, deceptive recruitment, excessive overtime, debt bondage, and confiscation of documents.¹⁷ These conditions illustrate why the Commonwealth must use its purchasing power to help raise standards.

As a first step towards supporting good jobs in these industries, the Federal Government should end the outsourcing of cleaning services at Parliament House by transitioning cleaners to direct government employment. Cleaners at Parliament House are essential workers who contribute every day to the functioning and safety of the very place that drives our democracy. They are trusted to access high security locations and are as committed to their job as anyone else who works in the building. It's time to end the practice that sees cleaners – a low paid, vulnerable and diverse workforce – employed through outsourced contractors, while the vast majority of the building's daily workforce is directly employed by government. Transitioning cleaners at Parliament House to direct employment would establish high-road labour standards in one of the nation's most visible workplaces, recognise and respect cleaners as equally valued members of the Parliament House workforce, and provide a model of best practice.

As Australia's largest purchaser of services, the Federal Government also has a critical responsibility to ensure its procurement supports good cleaning and security jobs. Procurement decisions directly affect wages, job security, workforce stability, and service

outcomes, particularly in high-risk industries such as cleaning and security. Government procurement decisions can either protect or undermine wages and conditions for outsourced workers. Recent Commonwealth contracting outcomes, including the Defence base services contracts, have demonstrated the very real risk of competitive tendering driving down wages unless explicit safeguards are in place. Moreover, procurement processes that result in wage stagnation or regression are inconsistent with the Government's stated commitment to secure work and fair pay. The Federal Government needs to play an active role in setting decent labour standards in government contracts, to attract and retain skilled workers, reduce turnover, and ensure the continuity and quality delivery of critical services. The Government must use its purchasing power to help lift wages and working conditions for cleaners and security guards employed at government sites across the country. Our submission highlights a number of key reforms the Government can implement to achieve this.

Firstly, Federal Government procurement decisions should not lead to the erosion of wages and conditions for cleaners and security guards. In the recent base services tender conducted by the Defence Department, no consideration was given to the wages and conditions of work being provided under the new security and cleaning contracts. Instead, wages and conditions were treated solely as the responsibility of the incoming contractor, leading to security guards and cleaners at defence bases losing collectively bargained wages and conditions. The Federal Government should commit to immediately restoring above award wages and conditions for cleaners and security guards employed under the Defence Department's newly awarded base services contracts, by supporting a multiemployer enterprise bargaining agreement covering these services and funding fair wages.

The period of contract transition is a key moment of vulnerability for cleaners and security guards, who often face the prospect of pay cuts, reduced hours, and changes to rosters, as well as facing the very real fear of losing their jobs. Workers can often remain on the one site through multiple contract changes, each time facing the possibility of losing their employment. In the past, the Federal Government has been willing to create an obligation in its tenders and contracts on incoming contractors to guarantee employment to the existing workforce. The Government should ensure that cleaners and security guards working at government sites do not face job insecurity during contract changes, and that cleaners and guards are guaranteed a stable job, with steady hours and income. The Government should place an obligation on incoming cleaning and security suppliers to make an offer of employment to the existing workforce, with no loss in pay and conditions.

The recent change in service providers operating Australia's immigration detention centre network has led to an erosion in working conditions for detention centre staff. Workers

experienced significant disruption and uncertainty during the contract transition in the first half of 2025, and they continue to work under severely challenging conditions, including acute safety issues, caused by systemic understaffing. Detention centre workers will commence bargaining for a new enterprise agreement with the newly contracted provider in early 2026. It is critical that the Department of Home Affairs and the Australian Border Force, as the contracting agency, support a fair and effective bargaining process that addresses the workforce crisis within the network and ensures a stable and well-trained workforce going forward.

The Federal Government must also continue to work towards reforming its procurement policies and practices, so that its purchasing decisions support good jobs. Governments have often pursued 'rock-bottom' contract prices by focusing narrowly on short-term cost savings when assessing value for money. While this may seem efficient, it frequently leads to a culture of non-compliance with serious long-term consequences, including higher enforcement costs, lost tax revenue due to sham contracting, underfunded workers' compensation, unpaid superannuation, and broader social and economic harms.

As one of the largest procurers of cleaning and security services in the country, the Federal Government has a critical responsibility to ensure contracts are fairly priced and awarded to responsible suppliers. By embedding labour standards and ethical procurement practices at the heart of its decision-making, the Government can promote decent wages, safe working conditions, and secure employment, while balancing efficiency and cost-effectiveness. Prioritising responsible procurement protects workers, supports compliance across supply chains, and reduces long-term fiscal and social risks associated with underpriced contracts.

UWU welcomes the steps taken by the Federal Government to prioritise secure work in government contracts and ensure government expenditure supports responsible businesses and decent work through the development of a Secure Australian Jobs Code. It is essential that the Code includes:

- requirements for contractors to demonstrate the highest ethical standards and labour standards across their business
- measures to support meaningful collective bargaining that delivers family sustaining incomes and safe, secure decent jobs.
- proven methods to support compliance and workers' rights in vulnerable industries.

For the Code to succeed it is critical that its implementation is adequately resourced, including:

- the establishment of a specialised unit or independent agency with the expertise in assessing and enforcing labour compliance.
- support for ongoing engagement with unions and other stakeholders to verify labour compliance.
- the delivery of education and training to procurement officers and senior decision makers across the public service.

At present, a significant proportion of Federal Government procurement of cleaning and security services is undertaken by three private property services providers, who procure cleaning and security services on the Government's behalf under the Whole-of-Australian-Government Property Services Coordinated Procurement (PSCP) arrangements.

As a result, the Government is now at arm's length from critical procurement decisions and has reduced visibility of the costs, risks, and labour standards associated with its own cleaning and security contracts. There is evidence that the PSCP arrangements have placed downward pressure on already low contract prices, undermined standards, and resulted in cuts to hours and jobs.

A clear example occurred in 2018, when a new cleaning contract procured under the PSCP arrangements for the Department of Jobs and Small Business resulted in nine of 24 cleaners losing their jobs, wage cuts of \$4 per hour (a 16 per cent reduction), significant roster changes from day to night cleaning, and a dramatic and unsafe reduction in hours.¹⁸ More recently, serious underpayment issues were uncovered at Australia Post following the appointment of a new contractor, where cleaners were engaged through multiple layers of subcontracting and paid below their legal entitlements. Cleaners were also hired for fewer hours than agreed under the contract, resulting in an erosion in service standards.¹⁹

The PSCP model allows the Government to pursue 'efficiencies' while distancing itself from the human consequences of procurement decisions. A 2018 Senate Inquiry into wage theft and exploitation of cleaners in retail chains was highly critical of this approach, condemning the Department of Finance for prioritising efficiency over its ethical duty to low-paid workers. The Committee expressed concern that the Department had effectively outsourced its ethical procurement responsibilities, describing this as an 'all power, no responsibility' approach that deliberately distances price-makers from the vulnerable workers whose labour they ultimately benefit from.²⁰

The PSCP model has also significantly reduced transparency. Cleaning and security tenders and contracts are now largely invisible through AusTender, as they are conducted by PSPs behind closed doors. The identities of contracted cleaning and security companies are not

published, and it is no longer possible to clearly identify the value of contracts entered into on the Government's behalf. Despite claims that the PSCP arrangements would deliver cost savings, it remains unclear whether any genuine savings have been achieved, or whether cost reductions have instead been delivered through reduced hours, increased workloads, and downward pressure on cleaners' and security guards' wages.

Given the above evidence of failures in its procurement arrangements, the Federal Government should commit to increasing the transparency of its cleaning and security contracts, including mandatory due diligence and reporting on labour standards compliance. Towards that end, the Government should fund a pilot project with the Cleaning Accountability Framework (CAF), a multi-stakeholder labour compliance initiative in the cleaning industry that has been recognised by the Fair Work Ombudsman as a best practice model of workplace relations and strategic enforcement, to assess whether its cleaning contracts are compliant with responsible procurement and fair labour standards, and work towards CAF Certification of key government buildings.

CAF's certification scheme assesses compliance with labour standards and responsible procurement practices. Buildings or property portfolios are certified through a comprehensive, rigorous and independent assessment that identifies compliance issues, facilitates workplace issue investigation and remediation, and enables all stakeholders to work together to meet the standards.²¹ CAF Certification is a world-leading, worker-centric approach to due diligence which ensures that:

- Cleaners are being paid correctly; they can speak up when there is an issue at their workplace; they are educated on their rights and entitlements; and they have the unimpeded right to join and be represented by their union.
- Procurers have ongoing oversight of compliance; have a transparent supply chain; have a mechanism to engage with workers; and have responsible procurement practices that pay fair contract prices to suppliers and properly assess and value labour rights compliance in tender assessments.
- Contractors receive a fair contract price that enables them to pay and treat their workers in accordance with the law; have compliant processes in place relating to wages and entitlements, record-keeping and visa requirements; uphold the principle of freedom of association; and are committed to genuine collaboration, investigation and remediation when issues arise.

The CAF Certification pilot would shed light on key labour issues and compliance risks in the Government's cleaning supply chain, which would also help inform the future implementation of the Secure Australian Jobs Code, including its application to the PSPs.

In occupying an influential position as both a procurer and tenant, the Federal Government holds multiple levers to tackle exploitation and modern slavery within the cleaning and security industries at large. In addition to reforming its own procurement practices, the Government should also help lift procurement standards in the private sector by mandating CAF Certification as a leasing requirement for government office space leased from commercial landlords. The Federal Government occupies over 3 million square metres of leased office space around the country. By mandating CAF Certification for new leases, the Government can encourage landlords to adopt responsible procurement and ensure compliance and fair treatment of cleaners in commercial buildings.

Mandates are a proven pathway for improving standards – the Government has used green leasing requirements to drive improvements in green building standards. A 2017 Government analysis of the use and effectiveness of green leases found that they were successful in motivating proactive landlords to engage and improve the quality of their building stock, and drove significant improvements in energy efficiency in government accommodation.²² Similarly, introducing CAF as a leasing requirement would help drive responsible procurement practices, which would support sustainable business models in the cleaning industry, build a culture of compliance, reduce exploitation of vulnerable workers, and lift labour standards in the cleaning industry.

Conclusion

Essential workers continue to shoulder the greatest burdens of the cost-of-living crisis. The crisis is far from over, and meaningful government action remains essential to ensure these workers can afford to live while providing the services that many Australians rely on every day.

Implementing the recommendations in this submission will help build strong, stable and high-quality workforces across ECEC, disability support, aged care and government contracted cleaning and security. In turn, this will strengthen service quality, enhance community wellbeing, and ensure that public funding delivers public value.

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Yours sincerely,

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¹ Treasury Portfolio, 'Longest run of annual real wages growth in almost a decade' (19 November 2025) <https://ministers.treasury.gov.au/ministers/jim-chalmers-2022/media-releases/longest-run-annual-real-wages-growth-almost-decade>

² Anglicare Australia, *Rental Affordability Snapshot: Essential Workers Report*, Third Edition (2025) p 8 <https://www.anglicare.asn.au/publications/2025-rental-affordability-snapshot-essential-workers-report/>

³ Foodbank, *it's about more than food* (2024) pp 19-20 https://www.foodbank.org.au/wp-content/uploads/Foodbank-Australia-SROI-2024-Full-Report_WEBSITE.pdf

⁴ 'Landmark multi-employer deal wins approval', *Workplace Express*, 11 December 2024, <https://www.workplaceexpress.com.au/news/landmark-multi-employer-deal-approved-by-fwc-bench-80062>

⁵ Decision [2025] FWCA 4359 published by the Fair Work Commission on 19 December 2025, found at: <https://www.fwc.gov.au/hearings-decisions/major-cases/early-childhood-education-and-care-supported-bargaining-agreement>

⁶ Jobs and Skills Australia (2025), *Occupation Shortage List*, for Child Care Worker (ANZSCO code 421111) and Early Childhood (Pre-primary School) Teacher (ANZSCO code 241111), found at:

<https://www.jobsandskills.gov.au/data/occupation-shortage/occupation-shortage-list> Accessed 21 November 2025. Noting that for both occupations there are worker shortages across every state and territory.

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⁸ Jobs and Skills Australia (2024). Pg. 120.

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