

CHAPTER THREE

Remuneration, training and professional development of early childhood educators

3.1 In this chapter the committee turns its attention to key challenges faced by early childhood education and care (ECEC) providers, including the ongoing issues of remuneration, training and professional development.

3.2 The committee recognises the debate surrounding the issue of remuneration is contentious and that training requirements imposed under the National Law have not been without controversy. Compounding these problems for the ECEC sector is a significant labour shortage of qualified educators, made all the more complex by stakeholder disagreement on how best to attract people into the profession.

3.3 Each of these issues is considered below.

Reasons for the labour shortage

3.4 The committee heard that ECEC providers have trouble attracting and retaining appropriately qualified staff. Witnesses informed the committee that the labour shortage is exacerbated by low wages, which are acting as a strong disincentive for students contemplating a career as an early childhood educator.

3.5 United Voice described the exodus of qualified staff from the ECEC sector, citing data which reveals that over 17 000 educators leave every year, while an additional 23 900 qualified educators are required, even with no increased demand.¹ The submission noted:

Almost three quarters of services report unfilled vacancies, between 2011 and 2012 the proportion of child care worker vacancies filled declined from 61 per cent to 51 per cent, and the average number of suitable applicants per vacancy fell from 1.1 to 0.9. To address the quality crisis we must attract and retain educators better – a point supported by the Commission’s most recent work in this area.²

3.6 United Voice recommended the government provide targeted funding for professional wages to address labour shortages. They argued the sector struggles to attract and retain appropriately qualified staff due to relatively poor wages, poor career progression and long working hours. United Voice explained that the reforms underway cannot be fully realised before the working conditions of educators are addressed:

Staff attrition across the sector will only be resolved if wages are commensurate with the skills, responsibilities and expectations required of

1 United Voice, *Submission 7*, p. 8.

2 United Voice, *Submission 7*, p. 8.

the workforce and with the social value of quality care. For reform to be meaningful and lasting, wages must increase substantially across the entire sector.³

3.7 Other witnesses, including Dr Anne Kennedy of Australian Community Children's Services, added that remuneration in the sector needs urgent attention in order to attract the best qualified and skilled people.⁴ Dr Kennedy submitted:

...it is not something that the sector can do on its own; it is something that needs some government lifting to help it. Clever children need smart, bright, clever educators—that is the basic thing. It is not a cottage industry.

...

This is not the kind of childcare sector that will give us the outcomes we want for a clever nation.⁵

3.8 Mr Rod Cooke, Chief Executive Officer of the Community Services and Health Industry Skills Council, suggested in his opening statement to the committee that the workforce shortage is not isolated to the childcare sector, but rather that it affects the healthcare sector nationally.⁶

Qualification requirements under the NQF

3.9 As of 1 January 2014, the National Quality Framework (NQF) requires educators to have minimum education requirements to gain employment in the ECEC sector. Australian Children's Education and Care Quality Authority's (ACECQA) submission notes that the rationale for qualification requirements is to ensure the quality of services for children, and establish short and long term human capital development:

Higher educator qualifications are strongly associated with improved child outcomes, as educators are better able to involve children, stimulate interactions, and use a range of strategies to extend and support their learning. Research shows that early childhood centres that employ staff with higher qualifications also score higher in measures of overall service quality.⁷

3.10 Similar to many of the other changes introduced by the NQF, the qualification requirements have been progressively rolled out and services were given advance notice before the conditions took effect.⁸

3 United Voice, *Submission 7*, p. 15.

4 Dr Anne Kennedy, ACCS, *Proof Committee Hansard*, 21 May 2014, p. 11.

5 Dr Anne Kennedy, ACCS, *Proof Committee Hansard*, 21 May 2014, p. 11.

6 Mr Rod Cooke, Chief Executive Officer, *Proof Committee Hansard*, 23 May 2014, p. 50.

7 ACECQA, *Submission 22*, p. 15.

8 ACECQA, *Submission 22*, p. 15.

3.11 The NQF sets a range of qualification thresholds that must be met by an educator before they can be employed in the ECEC sector. For example, from 1 January 2014, to satisfy the NQF requirements:

- educators working in the Family Day Care sector needed to be actively working towards a Certificate III qualification;
- Family Day Care Co-ordinators must have attained an approved diploma or higher education/care qualification;
- at least 50 per cent of educators at all other service providers must hold or be actively working towards a diploma level education and care qualification; and
- services with more than 25 preschool age children are required to have an early childhood teacher on duty at least 20 per cent of the time during working hours.⁹

Support for qualification requirements

3.12 Responses to the new requirements were generally positive, with many submitters and witnesses agreeing that the qualification requirements had a positive impact on services' ability to provide quality ECEC services to children and families.

3.13 Family Day Care Australia (FDCA) drew the committee's attention to a recent survey of families accessing services in the family day care sector. While FDCA is currently collating its findings, it provided some evidence to the committee of preliminary results, including data revealing that 85 per cent of families surveyed support the minimum certificate III qualification for all ECEC educators.¹⁰

3.14 ACCS described overwhelming research demonstrating that the NQF's training requirements supported improved outcomes for children and staff.¹¹

3.15 The City of Boroondara (Boroondara) also cited feedback from staff in relation to training and opportunities for placements prior to gaining particular qualifications. Boroondara explained that the feedback related mostly to skill and experience levels at the entry level, but that both service operators and educators would embrace opportunities to participate in professional development, including further education:

They would also see that [feedback] would need to be considered in the context that they still need to provide a service; and, if they are having

9 ACECQA, *Guide to the National Law and National Regulations*, p. 93.

10 Ms Carla Northam, Chief Executive Officer, Family Day Care Australia, *Proof Committee Hansard*, 23 May 2014, p. 26.

11 Dr Anne Kennedy, National Secretary, Australian Community Children's Services, *Proof Committee Hansard*, 21 May 2014, p. 6.

issues with staffing, how they will backfill those staff. There would need to be some consideration about how that would be implemented.¹²

3.16 United Voice disagreed with anecdotal evidence that educators were leaving the sector due to the requirements to obtain qualifications, noting their survey of members that demonstrated the high turnover in the sector is caused by low wages:¹³

What you have heard directly from our members and what we hear from thousands of workers right across the country is that the reason people are leaving the sector is the low wages. It is one of the reasons we have made an application to the Fair Work Commission to lift those wages. It is clearly a large contributing factor in people leaving. It is covered in our submission to the Productivity Commission, in part, and it is certainly something we get to hear about constantly. There is no other explanation for it—33 people leaving in the centre, with a workplace of 10. The personal stories from those people indicate the reason they were leaving was not lack of commitment to the sector or lack of qualifications.¹⁴

3.17 The committee notes the substantial support for the qualification requirements as set by the NQF, and recognises the challenges faced by some services in meeting the criteria, especially in rural and regional areas. The committee addresses these concerns below.

Early Years Quality Fund and the Professional Development Fund

3.18 The Early Years Quality Fund (EYQF) was established in March 2013 by the Gillard Government to provide an additional \$300 million over two years to support ECEC providers to continue delivery of quality services while implementing the NQF. The fund was targeted to assist the implementation of the qualification requirements.¹⁵

3.19 The explanatory memorandum to the Early Years Quality Fund Special Account Bill 2013 stated that the EYQF was designed to assist in maintaining access to early childhood education in addition to the assistance provided to families through the Child Care Benefit (CCB) and the Child Care Rebate (CCR). It was designed to engage an aspect of the CCB, as it was only payable where appropriate to centres with the approved long day care services (who in some cases directly receive the CCB payable to families):

All approved centre based long day care services approved for Child Care Benefit will be eligible to apply for the funding. Grants will be approved

12 Ms Kylie Mussared, Manager, Family Youth and Recreation Services, City of Boroondara, *Proof Committee Hansard*, 21 May 2014, p. 44.

13 Ms Ryan, National Vice President, United Voice, *Proof Committee Hansard*, 23 May 2014, p. 39.

14 Ms Ryan, National Vice President, United Voice, *Proof Committee Hansard*, 23 May 2014, p. 39.

15 Department of Education, *Ministerial review of the Early Years Quality Fund*, 12 November 2013, http://docs.education.gov.au/system/files/doc/other/ministerial_review_eyqf_final_report.pdf, (accessed 24 June 2014), p. iii.

through an application and assessment process using a defined set of assessment criteria to be outlined in the Program Guidelines. Funding will be conditional on services agreeing to use the funding exclusively for the remuneration of employees and other employment-related costs and expenses, in relation to early childhood education and care employees.¹⁶

3.20 The Senate Education, Employment and Workplace Relations Legislation Committee undertook an inquiry into the EYQF Bill in 2013, and took substantial evidence from a wide range of submitters detailing the importance of the fund in supporting the rollout of the NQF, as well as the expectation by stakeholders that the funds would continue to support the professionalisation of the ECEC sector.¹⁷

3.21 Following the 2013 election, the government announced it would discontinue the EYQF, and replace it with a smaller fund of \$200 million to provide for the professional development of educators.¹⁸

3.22 The committee heard from Goodstart Early Learning funding for professional development:

...professional development for our frontline educators will really help to turn things around on issues such as educational observations and reporting, and interfaces with children. In Goodstart we would love to do a lot more in professional development. We budgeted \$10 million of our own money on it last year. We would like to spend as much as we possibly can on professional development, because we are in the education field. Professional development is an ongoing fundamental part of being an up-to-date educator, and our educators just lap it up.¹⁹

3.23 The Australian Council of Trade Unions (ACTU) argued in their submission to the Productivity Commission inquiry that the EYQF should still be made available as a priority to ensure the benefits of the NQF are delivered for the benefits of children and families.²⁰

3.24 The International Education Union of Australia noted in evidence that the funding for the professional development program was borne out of the previous government's EYQF. While recognising the source of the funding, they emphasised the significance of wage disparities in the ECEC sector, noting the professional development fund would fail to address these disparities:

16 Early Years Quality Fund Special Account Bill 2013, *Explanatory Memorandum*, p. 2.

17 Senate Education, Employment and Workplace Relations Legislation Committee, Inquiry into the Early Years Quality Fund Special Account Bill 2013, p. 6.

18 Hon Sussan Ley MP, *Media Release*, 10 December 2014.

19 Mr John Cherry, Goodstart Early Learning, *Proof Committee Hansard*, 22 May 2014, p. 33.

20 ACTU, *Submission 30*, p. 9.

...This does not actually help in addressing those issues. On one part, money for professional development is welcomed, it is great, but we need to do more and we need to focus on more.²¹

3.25 This was supported by Early Childhood Australia, who noted that while the professional development fund was a welcome development, it still did not adequately address wage disparities in the sector:

...The difficulty we have is that there is still an issue with wage relativity between people working in the early childhood sector and people with similar qualifications working in the schools sector. That needs to be addressed at some stage. There is a risk that we skill people up and then lose them to the schools sector. However, I meet many early childhood educators who are very happy working in the early childhood sector—because they are skilled and talented and enjoy their jobs. I think the investment in professional development will help create more of those people.²²

Wages

3.26 The committee received evidence from numerous submitters relating to the ongoing effects of low wages on staff retention in the ECEC sector, and the challenges that wage increases place on small providers. While some submitters argued that governments should increase their funding to the ECEC sector, others submitted that a more market-focused approach should be adopted to address the low wages.

3.27 United Voice's submission to the Productivity Commission inquiry detailed the current pay rates of employees in the sector as follows:

Figure 2- Award Rates Relative to Minimum Wage, Submission 7, p. 34.

Level	FTE Weekly Pay	Hourly Pay	Dollar Amount Above Minimum Wage	Difference of Increase to Next Highest Qualification
1.1 (No formal qualification)	\$636.40	\$16.75	\$0.38	\$2.32
3.1 (Certificate III)	\$724.50	\$19.07	\$2.70	\$3.39
4.1 (Diploma)	\$853.40	\$22.46	\$6.09	\$4.62

3.28 United Voice identified that the significant 'wage problem' is compounded by a flat career structure which does not allow opportunities for advancement within the sector. They argued that the wages issue continues to place significant pressure on

21 Ms Lisa James, International Education Union of Australia *Proof Committee Hansard*, 22 May 2014, p. 22.

22 Ms Samantha Page, Chief Executive Officer, Early Childhood Australia, *Proof Committee Hansard*, 22 May 2014, p. 47.

both families and early childhood educators.²³ The ACTU agreed, submitting the flat career structure had significant consequences for retention of ECEC workers:

The flat career structures in the ECEC sector act as a disincentive to ECEC workers to obtain further qualifications or remain in the sector as there are little financial benefits to doing so.²⁴

3.29 Other witnesses agreed low wages were having a large impact on the quality of services provided to families, noting the particularly negative effects of high staff turnover on children accessing ECEC services. Ms Kay Doyle, an ECEC service provider, argued:

My sentiment about the quality of the centre is that the educators provide the quality. I pay above award wages but nowhere near the amount I believe the educators are worth. I do not know how to fund more wages, because all my funding for services comes from the parents. I have parent meetings about increasing fees and things like that, and generally the parents are supportive of increasing the fees to maintain the quality of the staff that we have.²⁵

3.30 Other submitters, including Ai Group, did not support higher wages for early childhood educators. Ai Group argued the sector could not be described as predominantly low-wage, but rather:

...I would describe it as award dependent—so there are not a lot of over-award payments—

...but the rates of pay in the main childcare award align with award rates in many other industries—at the certificate III level, for example.²⁶

3.31 Ai Group argued that a 'massive increase' in the rates of pay would have a distortive and destabilising effect on the award system. Further:

We do not accept that childcare workers are underpaid. We do not accept that this application will do anything other than cause major problems for the community. Childcare centres, like every other business, will pay what they need to pay to attract the staff they need to attract.²⁷

3.32 The ACTU acknowledged that wages in the sector are largely governed by federal awards. The ACTU noted that while collective agreements are used to an extent, they reflect minimum rates in awards largely due to the restricted capacities of ECEC workers to bargain. They argued that large numbers of small independent

23 United Voice, *Submission 7*, p. 34.

24 ACTU, *Submission 30*, p. 10.

25 Ms Kay Doyle, *Proof Committee Hansard*, 23 May 2014, p. 37.

26 Mr Stephen Smith, Director, Workplace Relations, Ai Group, *Proof Committee Hansard*, 23 May 2014, p. 12.

27 Mr Stephen Smith, Director, Workplace Relations, Ai Group, *Proof Committee Hansard*, 23 May 2014, p. 14.

workplaces in the sector and tight profit margins restrict the ability of educators to bargain effectively and fairly.²⁸ Further, the ACTU submitted:

Only a few community centres pay above award wages through workplace agreements, and there is little capacity for these wage rates to flow on to other parts of the early childhood education and care sector.²⁹

3.33 The committee acknowledges the significant concerns raised by submitters relating to the wage issue for early childhood educators. Further the committee supports the role of the Fair Work Commission (FWC) in determining wages, and its role as an independent umpire. The committee commends those submitters who are using the FWC to campaign for better remuneration for early childhood educators.

Educators, not carers

3.34 Some witnesses noted that in conjunction with the qualification requirements imposed by the NQF, there was still reluctance by some in the sector to recognise staff in ECEC services as educators and not merely as carers or babysitters.

3.35 ELAA submitted that the NQF recognised and created incentives for parents who are considering returning to work and suggested parents are not looking for babysitters, but educators who will ensure:

...their child will thrive—physically, socially, emotionally and cognitively—and quality early learning programs provide this environment. Ensuring greater provision of these programs, particularly in areas of high growth, will encourage more parents back to work, but affordable and accessible early learning programs should not simply be viewed as a means of releasing parents back into the workforce. The needs and best interests of children themselves must be considered of paramount importance.³⁰

Conclusion

3.36 The committee acknowledges that remuneration, qualification and professional development in the ECEC sector lags behind many other sectors due to long held perceptions about child carers as babysitters, rather than early childhood educators. It also acknowledges that the NQF is addressing these perceptions through the requirements for minimum qualifications, educator-child ratios, and the rating system.

3.37 The committee recognises that shortcomings in the ECEC sector are partly caused by remuneration and training challenges. Compelling arguments for changes to be made in these areas were heard over the course of this inquiry and the committee is sympathetic to challenges faced by providers, especially those in rural or regional areas, specifically in meeting staffing requirements.

28 ACTU, *Submission 30*, p. 10.

29 ACTU, *Submission 30*, p. 10.

30 Mr Shane Lucas, Chief Executive Officer, Early Learning Association of Australia, *Proof Committee Hansard*, 21 May 2014, p. 23.

Committee view

3.38 The committee is persuaded by the evidence that a number of factors contribute to the difficulty some providers experience in attracting suitably qualified staff, and takes the view that wages are a likely contributor to this problem. However, the committee notes the process to determine minimum wages is highly technical and properly handled by the FWC and it supports any review of minimum wages for early child care educators.

3.39 The committee acknowledges that ECEC professionals provide a valuable learning experience which extends beyond simply 'babysitting' young children while their parents are at work. Too many parents rely on child care as a significant feature of their children's early and formative years to allow this distinction to go unmade.

3.40 The committee therefore supports both the training and ongoing development of ECEC staff, and acknowledges them as educators.

Recommendation 4

3.41 The committee recommends that the government reinstate the Early Years Quality Fund to assist educators in meeting the training requirements set out in the National Quality Framework.

Recommendation 5

3.42 The committee recommends that the government immediately initiate a review of low wages in the early childhood education and care sector and report on the role of government in lifting wages to a professional level in line with the skills and qualifications required of educators.

**Senator Sue Lines
Chair, References**