

# Addressing the early childhood workforce crisis

The workforce crisis is impacting right across the early childhood (ECEC) sector. Many providers (including Goodstart) are struggling to meet demand for places from parents because they cannot find enough qualified educators to care for children.

Vacancies for educators & teachers are at twice pre-pandemic levels (see TABLE 1). Attrition rates are rising, with educators exhausted after two years of pandemic, their professionalism under-recognised and feeling overworked as many centres struggle with staff shortages.<sup>1</sup>

The pipeline of new teachers and educators into the sector is also constrained, both by a two-year migration pause and a decline in commencements in VET & university ECEC courses (see TABLE 2).

Centres are struggling to attract and retain sufficient qualified educators even to meet regulatory standards, with staffing waivers doubling over the last three years. Hundreds of centres have been forced to cap enrolments as they can't find enough staff, leaving parents wanting care stuck on waiting lists. **Each unfilled educator role can impact up to 15 families each week.**

In September 2021, Education Ministers agreed to a **National Children's Education and Care Workforce Strategy** but are yet to make any significant new investments to implement it.<sup>2</sup> While the Strategy identified the challenges the ECEC workforce faces, the agreed actions and timelines do not reflect the urgency of the crisis that the sector faces, and an update is needed.

## Challenge of implementing the Government's CCS reforms

Labor's \$4.5 billion plan for Cheaper Childcare is set to take effect by 1 July 2023, providing a much-needed boost to the affordability of child care, and to an economy desperately short of workers.

Treasury estimates it will facilitate 185,000 additional days of work as most families using child care have at least one parent (usually the mother) who works part time and could work more. The **Graftan Institute** estimates Labor's policy would result in an 8 per cent increase in hours worked by second-income earners with young children, or **around 220,000 extra days worked per week.**<sup>3</sup>

To accommodate 185,000 additional days of work, the child care sector will need to accommodate 1.9 million additional hours of care. That will require 42,000 additional days of educator time, **the equivalent of 9,000 additional full time educators will be needed.**

Low wages are a structural issue for ECEC that reflects the underlying funding to the sector that requires fees to increase to fund any wage rise. Experienced educators and teachers earn up to 30% less than comparable roles in schools (see TABLE 4).

Longer term structural reform is needed and will be addressed within the scope of the proposed Productivity Commission inquiry and a review of educator's wages by the Fair Work Commission under the proposed new equal pay case rules or through sector bargaining.

But that will take time, and the new subsidy takes effect in less than nine months. Without a more stable workforce, centres will struggle to find places for the families wanting more.

## The solution – short term wage supplement and longer term structural reform

To address the immediate crisis and to set the sector up to respond to the CCS reforms in 2023, for the next 18-24 months, the following actions are proposed:

1. Govt to fund an interim 10% wage supplement for educators for two years until new funding and industrial instruments are in place from the PC inquiry and Fair Work Act changes.
2. In the meantime, once the Productivity Commission report is finalised (and new funding arrangements are established) and the Fair Work Commission's Care Panel is in place to

<sup>1</sup> <https://www.thefrontproject.org.au/teachers-and-educators-survey>; <https://www.hesta.com.au/ECECreport21>

<sup>2</sup> <https://www.acecga.gov.au/national-workforce-strategy>

<sup>3</sup> <https://grattan.edu.au/news/explainer-everything-you-need-to-know-about-the-major-parties-new-childcare-policies/>

oversee sector bargaining and equal pay, a more final resolution of wages comparable to school rates could be achieved on a sector wide basis.

3. Alongside addressing wages, the pipeline for new educators should be addressed by:
  - a. Free TAFE courses and additional funding for traineeships for educators;
  - b. Expand the pool of early childhood teachers by
    - i. Expanding places in ECT ITE courses at universities supported by scholarships;
    - ii. Developing accelerated pathways for experienced Diploma qualified educators to progress to ECT qualifications within 1-2 months, supported by funding arrangements and mentoring support to cover up to 80 days of practicum teaching placements.
  - c. Include early childhood teachers and educators on migration priority lists and address unnecessary hurdles and delays on visa applications;
4. Longer term, enhance the professional standing of early childhood teachers and educators with more emphasis on the importance of pedagogy and learning:
  - a. Complement the release of the new Early Years Learning Framework with funding for professional development for and educators to refresh and re-energise their learning
  - b. Develop pathways to registration for early childhood teachers in all jurisdictions
  - c. Commonwealth and States to agree funding and timelines for accelerating actions under the National ECEC Workforce Strategy that will strengthen professional recognition and learning
  - d. Providers to carefully consider the quality of working life for teachers and educators to ensure that they have the time and support they need to teach effectively, freed from unnecessary paperwork and other non-teaching burdens.

### **The ECEC workforce needs to grow but attrition rates have risen sharply**

The sector workforce grew by 33% over the last five years adding 35,000 additional workers (see Table 4) and is likely to grow even faster over the next five years as demand increases due to Cheaper Childcare policy and as the NSW, VIC and SA governments roll out preschool reforms.

Attrition rates have risen sharply over the past two years. The largest not-for-profit provider Goodstart has seen attrition rise from 14% to 24%, with exit surveys citing low pay, burnout, and lack of professional recognition as key reasons for leaving, and just 30% intending staying in the sector.

Other providers have seen even larger increases in attrition rates, losing 30%, 40% and in some cases even 50% of staff in the last year.

Centres experiencing high turnover descend into a spiral, as vacancies put pressure on remaining staff, who then burn out and leave.

### **Expectations that the Government will act have risen**

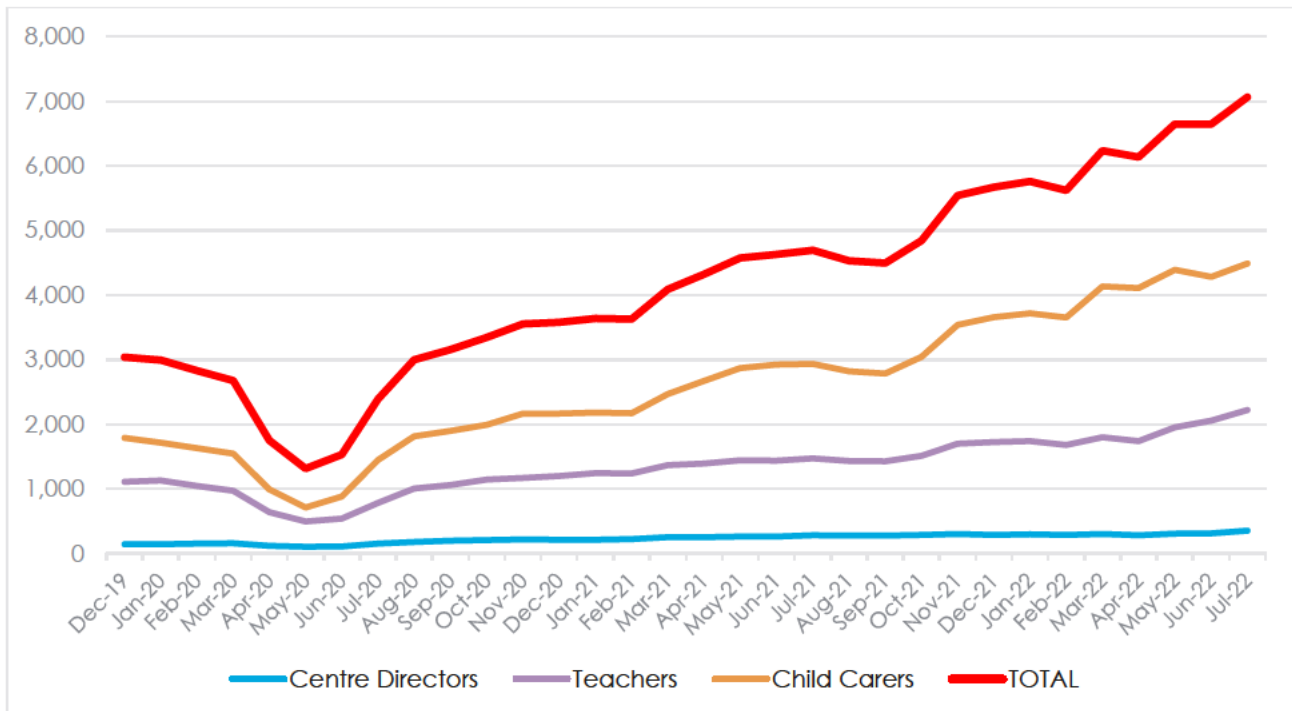
Educators are at the end of their tether and have been hearing from the Government acknowledgement that their wages are too low and something needs to be done. The recent National Day of Action also raised expectations.

**If nothing happens to address educators' wages, the workforce shortages will get worse, and the success of the Cheaper Childcare reforms could be at risk.**

## BACKGROUND INFORMATION

Over 7000 vacancies per month in ECEC, compared to 3000 pre month pre-COVID

TABLE 1: MONTHLY VACANCIES IN ECEC REPORTED BY NATIONAL SKILLS COMMISSION



The pipeline of new teachers and educators shows has slowed markedly in recent years:

TABLE 2: Enrolments & completions of VET and university courses in early childhood

Year	ECEC Certificate III		ECEC Diploma		ECT Bachelor	
	Enrolments	Completions	Enrolments	Completions	Commencements	Completions
2015	n.a.	n.a.	n.a.	n.a.	4,559	2,620
2016	54,070	15,700	75,800	15,755	4,578	2,380
2017	53,875	15,575	68,280	14,230	4,226	2,220
2018	52,840	15,735	53,805	14,000	3,556	2,288
2019	55,005	15,650	50,270	12,900	3,541	2,144
2020	55,010	11,880	46,080	9,890	4,288	2,051

Source: NCVER, Total VET Students and Courses, (DataBuilder); DESE Higher Education Statistics Special Courses data

Staff shortages are driving up staffing waiver rates in long day care centres

TABLE 3: % of long day care centres with a staffing waiver by quarter (ACECQA NQS Snapshot)

	Q2 2022	Q4 2021	Q2 2021	Q4 2020	Q2 2020	Q4 2019	Q2 2019
Long day care	14.6%	13.6%	11.7%	11.1%	11.1%	8.6%	7.8%
Preschools	2.8%	2.4%	2.4%	2.1%	2.8%	2.2%	2.7%
OSHC	2.1%	1.2%	1.1%	0.9%	0.9%	0.7%	0.5%
Family Day Care	0.4%	0.8%	0.4%	0.8%	3.4%	0.4%	0.5%

Experience differs by state – Victoria has just 3.4% of long day care centres with a staffing waiver in 2002, compared to 24% in QLD, 21% in WA and 15% in NSW. Teacher shortages is the key driver.

**Teachers and educators in ECEC are paid much less than in public schools:**

**TABLE 4: Educator and teacher wages in long day care centres and public schools**

Classification	Award rate (p.a.)	NSW Educ. Dept rate <sup>3</sup>	VIC Educ. Dept rate <sup>4</sup>	QLD Educ. Dept rate <sup>5</sup>
Educator Cert III commencement <sup>1</sup>	\$49,095	\$62,620	\$53,301	\$54,761
Educator Cert III maximum rate <sup>1</sup>	\$52,384	\$70,254	\$68,260	\$70,963
Teacher graduate <sup>2</sup>	\$66,395	\$74,070	\$74,976	\$75,471
Teacher proficient <sup>2</sup>	\$72,572	\$89,336	\$79,782 <sup>6</sup>	\$82,917 <sup>6</sup>
Teacher maximum rate <sup>2</sup>	\$79,005	\$110,473	\$111,221	\$104,780

<sup>1</sup> Children's Services Award 1/7/2022, NSW Education Paraprofessional (Cert III qualified), Victorian Education Support Officer Level 1 Range 2; <sup>2</sup>Educational Services (Teachers) Award as determined from 1/1/2022 following 2021 work vale case; <sup>3</sup>NSWCrown Employees (Teachers in Schools and Related Employees) Salaries and Conditions Award; <sup>4</sup>Victorian Government Schools Agreement 2022; <sup>5</sup>Teacher rates 1/1/2022, teacher aide rates 1/3/2022. New Enterprise Agreement currently being balloted will increase these rates by 4%. <sup>6</sup>Third paypoint assuming 2 years of service to reach proficient.

In 2021, **63% of employees in the long day care sector were paid no more than award rates.** By contrast, only 23% of workers in the entire workforce rely solely on the award. Just 2% of the 7,300 employers in the ECEC sector have an up to date Enterprise Agreement in place.

**ECEC Workforce census<sup>4</sup> results – the workforce is growing rapidly but paid poorly**

**TABLE 4: Growth in ECEC workforce**

	2013	2016	2021
Centre based care	76,518#	109,457#	146,726
Family day care	14,054	32,589	13,091
OSHC	18,086	27,491	31,085*
Preschools	26,952	28,000 est.	29,026**
TOTAL	135,610	197,537	219,928

(\*Assumes includes vacation care workforce of 24,679; \*\*Response rate 73% so likely higher; #Includes OCC)

**TABLE 5: Qualifications mix varies between settings**

	CBDC	FDC	OSHC	Preschool*
Bachelor	15,749	438	2,483	11,535
Diploma	60,397	5,750	4,744	12,266
Cert III	41,011	5,414	3,894	
Below Cert III	1,130	62	314	
No ECEC qual	8,989	249	9,858	842
Not specified	3,832	194	6,627	
Total	131,100	12,107	27,920	24,643

\*Preschool classification is simply Teachers (any qual), Educators (any qual)

**TABLE 6: Most educators are paid basic award rates**

	CBDC*	FDC	OSHC*
Award	62.9%	17.7%	78.6%
0-10% above	28.1%	4.0%	14.7%
10-25% above	6.5%	1.5%	5.7%
25%+ above	2.4%	2.4%	1.0%
Don't know	9.2%	74.6%	12.3%

(\* 'don't know' responses eliminated from the total)

Around 21% of long day care employees & 67% of preschool employees are covered by enterprise agreements, the vast bulk of these are in the not-for-profit sector.<sup>5</sup>

<sup>4</sup> National Workforce Census 2021 <https://www.education.gov.au/child-care-package/early-childhood-data-and-reports/national-workforce-census>

<sup>5</sup> Analysis of agreements approved over the last four years.