



INDEPENDENT EDUCATION UNION OF AUSTRALIA

SUBMISSION TO PRODUCTIVITY COMMISSION, EARLY CHILDHOOD DEVELOPMENT WORKFORCE STUDY DRAFT RESEARCH REPORT

August 2011

Introduction

The Independent Education Union of Australia (IEUA) commends the Productivity Commission on the detailed Draft Research Report on the workforce needs of the early childhood education and care sector.

The IEUA applauds the recommendations contained within the Draft Report. The recommendations provide a strong case for increasing investment into the quality and availability of early childhood education and care programs, both as an effective approach to supporting children and families and ensuring attraction and retention of qualified teachers.

Draft Recommendations

In our submission to the Workforce Study, the IEUA had called for:

- Government funding to be directly linked to salaries with the intention of achieving parity of salaries with teachers in schools;
- A prescribed allocation of government funding be set aside for ongoing professional development of staff;
- Increased accountability on services to demonstrate how the funding has been used. In particular, accountability of the expenditure of the funding on staff wages and staff professional development;
- Support for rural and remote and indigenous community centres; and
- Support for special needs students within centres.

Chapter 3 – Government Involvement in the Early Childhood Development Sector

The Productivity Commission recommendations contained within Chapter 3 has highlighted the need for government subsidies and the need to support low income families through “*adequate financial support*”.

The IEUA concurs with the Draft finding 3.2 which states “*market pressures alone are unlikely to lead to the provision of quality ECD services. An appropriate regulatory system aimed at quality improvement and assurance is required*”.

The IEUA has made numerous submissions regarding the National Quality Reforms and has supported the introduction of a nationally consistent regulatory system.

In particular the IEUA supported the introduction of the National Quality Reforms for early childhood education and care as a positive mechanism to ensuring consistency in the employment of qualified early childhood teachers and staff in all preschool/kindergartens and long day care centres in both the ‘for profit’ and ‘not for profit’ systems.

In the submission to the Productivity Commission’s Workforce Study, the IEUA expressed concerns with the issuing of service waivers and thus supports the Productivity Commission’s recommendation 3.3 which calls for the publication of “*the number of service waivers granted, to*

whom they have been granted and whether they are permanent or temporary” As indicated in our previous submission, this will allow users of the service to be aware of why and how long the waiver has been granted.

Chapter 5 – The preschool and long day care workforce

The IEUA commends the Productivity Commission Draft Report Recommendations contained within Chapter 5 which recognises the serious need for early childhood teachers’ salaries to be equal to those offered to primary teachers in the school sector.

The IEUA strongly believes that the salaries and conditions of employment for teachers working in early childhood education and care centres must be comparable to the salaries and conditions in other educational settings in order to overcome staff shortages and guarantee quality of education.

It is therefore necessary for State and Federal Governments to make a commitment to significantly increase the amount of funding not only to cover the early childhood education and care centres costs in implementing National Quality Reforms but also to guarantee that teaching staff receive parity of salaries and conditions with those of their colleagues in schools.

We note that the Report recognises the current circumstances in jurisdictions other than New South Wales demonstrating comparability of wages across school and early childhood education sectors.

We further note that the Report recommends that the situation in New South Wales should be rectified.

Funding to NSW community preschools had effectively been frozen for some years. However, in 2010 the funding formula was increased provided that the increase in funding was used to assist in the reduction of fees to parents.

From July 2011, the NSW State Government in accordance with the Bilateral Agreement, introduced a *Teacher Costs Contributing Scheme*. Under this scheme, all services would receive approximately \$6000 to \$8000 per annum for each transfer to help offset the costs of employment. This program will be reviewed as to its costs and effectiveness in 2012. However, while the additional funding in 2011 and other commitments are welcomed, there are very few checks and balances in place to ensure that the monies will be used to offset salaries and staff training.

A further commitment to review funding has been provided by the newly elected NSW government. No commitment has been made by the NSW government to increase the total amount of funding or to target the funding to achieve salary parity for NSW early childhood teachers.

The IEUA considers these amounts to be insufficient when considering the need to deliver National Quality Reforms and provide for wage parity in NSW.

A commitment by the NSW government to address the issue of parity by ensuring that monies are targeted to teachers salaries would be welcome. By doubling the funding under the Teacher Costs Contributing Scheme in NSW for the community based “not for profit” sector (preschool and long day care centres to \$12 000 for a 3 year trained teacher and \$16 000 for each 4 year trained teacher employed) provided it was directed to payment of wages and provided that other funding for this sector was maintained and would start to address wage pay parity with early childhood teachers in schools.

In Queensland, the situation is different as both recurrent funding and capital assistance to community kindergartens has been directly available through the Department of Education for over a decade.

However, in October 2009, a new funding scheme, the Queensland Kindergarten Funding Scheme (QKFS) was introduced for a range of services that provided kindergarten programs.

The key feature of this scheme is that approved kindergarten program providers would receive a standard subsidy per eligible child enrolled. Further subsidies are available for services in remote and lower socioeconomic areas.

From July 2010, the standard subsidy available to long day care services for each child participating in a kindergarten program is \$1239 per year. The standard subsidy available to kindergarten services is \$2168.24 per year. The reason for the difference between the two rates is that families with children attending long day care services can access Australian Government childcare benefits and rebates that reduce the out of pocket fees for eligible parents.

It is important to note that the Kindergarten Funding Scheme is not directly linked to staff costs and has no direct indexation to State teacher wage movement compared to that of the previous DECKAS funding arrangements.

Thus, the continuation of parity of wages with school teachers in Queensland (which had been assured by the DECKAS funding scheme) is now uncertain.

Therefore, the IEUA recommends that the Draft Research Report should go further into recommendations and call upon all jurisdictions to maintain parity of wages with primary teachers, where currently in existence.

In fact, to argue to the contrary is to jeopardise the success of the National Quality Reforms for early childhood in each State and Territory.

When analysing the early childhood education and care sector, it must be noted that there is no true labour market. Staff shortages do not result in a market demand for improved wages and conditions. Services do not have the funding to increase wages so the market cannot achieve balance.

The Modern Award should not, and cannot, be considered as the benchmark for wages and salaries, if the Government is serious about addressing workforce issues. The Modern Award does not reflect the 'going rate' or 'real rate' of pay for teachers in any Australian jurisdiction. Very few teachers in a school in Australia would be earning the rates payable under the modern Award.

Teachers will obviously compare their remuneration with that which would be received in another educational setting.

Pay inequity is one of the major contributing factors to the labour shortage in the early childhood education and care sector. Staff will not enter into, or remain in, services where they are undervalued and underpaid compared to other services. Whilst 91.9% of preschool staff and 87.2% of long day care staff indicated that they were satisfied with their job, 50 - 54% indicated that they were dissatisfied with their pay and working conditions and 25% indicated that they were considering leaving their current job for these reasons (DEEWR, 2010).

This shortage is likely to be exacerbated in future as the vast majority of early childhood students at university indicate that they intend to seek work in primary schools. In NSW, Directors repeatedly tell the IEUA that the students placed with them on internships or practicums indicate they do not intend to seek work in the early childhood sector. In lectures at Macquarie University and University of Western Sydney in 2009, 80- 85% of students reported that they would prefer to work in a school setting. Anecdotal evidence from other states support these findings.

The only solution to poor wages and conditions is direct government subsidy of teachers' wages or general funding increases.

Support for Children with Additional Needs

Draft recommendation 8.1 states that “*programs... cover the full cost of employing inclusion support workers at market wages*”. **The IEUA supports this recommendation.**

Early childhood services are increasingly expected to enrol children with additional needs. However, the cost of educating special needs children are not reflected in the funding centres receive. Children with high support needs require one to one support but the maximum does not come close to approximating the cost of employing a casual childcare worker or a qualified teacher for a day, (eg. *maximum \$85.00 per day for Inclusion Support Subsidy, and the maximum \$45 per day SCAN funding*).

Upgrading Qualifications

As a result of the National Regulations, early childhood teachers are expected to have a 4 year university qualification. The IEUA notes in draft recommendation 5.1 that the Productivity Commission recommends:

To assist in the transition to the National Partnership Agreement on Early Childhood Education, governments should permit:

- *Any currently employed 3 year qualified early childhood teacher to deliver the preschool program*
- *Any 3 year qualified teachers returning to or entering the workforce to deliver the preschool program, provided a plan is in place for them to upgrade their qualifications to the equivalent of a 4 year degree.*

The IEUA has found that the cost of further study is often prohibitive to staff upgrading their qualifications and that the consequent wage increase does not justify the costs involved in upgrading.

The IEUA recommends that Government subsidies be provided to staff to cover the cost of HELP debts accrued by upgrading a 3 year qualification.

Affordable quality

It would be unrealistic to expect that any shortfall in funding will be overcome by charging higher fees. Currently, preschool fees in NSW are the highest in Australia, averaging between \$30 and \$50 per day. Parents will not choose an educational programme for their children if such a programme is perceived as being too expensive. Taylor (2004) confirmed that “parents in low-income families were less likely to use paid childcare than other families at all stages.

Paradoxically these are the children who have the most to gain from quality early childhood education.

In making this statement we note that one of the goals of the National Partnership is for Early Childhood Education to be affordable for parents.

The IEUA believes that it is therefore necessary for State and Federal Governments to make a commitment to significantly increase the amount of funding not only to cover the early childhood education and care centres' costs in implementing the National Quality Reforms but also to guarantee that teaching staff receive parity of salaries and conditions with those of their colleagues in schools.

Summary

Quality early childhood education can only be achieved where the education programme is delivered by a qualified early childhood teacher specialist. Recruitment and retention of such qualified early childhood teachers is dependent upon the salaries and conditions of the sector.

We commend the Productivity Commission for its findings and its recommendations.

References:

Department of Education, Employment and Workplace Relations (2010). *National ECEC Workforce Census*. Victoria: Social Research Centre.

Taylor, J. (2004). Life chances: The children's view. *Paper presented at the Critical Early Childhood Years Conference*. Melbourne: University of Melbourne.