

**state of the sector 2021**  
early childhood education and care  
workforce insights

# covid — and — beyond

| HESTA |

# contents

<b>a message from our ceo</b>	<b>02</b>
<b>overview</b>	<b>04</b>
methodology	
key findings	
who we spoke to in ECEC	
the COVID-19 impact	
<b>employee outlook and experiences</b>	<b>12</b>
disruption to work hours	
industry outlook	
appreciation by employers, community and clients	
industry pride and job satisfaction	
<b>a typical HESTA member in ECEC</b>	<b>18</b>
<b>job intentions</b>	<b>20</b>
reasons for wanting to stay with or leave employer	
employee likes and dislikes about role	
<b>advocating for ECEC</b>	<b>24</b>
career in the sector	
employers and their services	
leaders and managers	
<b>conclusion</b>	<b>30</b>

## a message from our ceo

---

### Many professionals working in early childhood education and care will remember 2020 as a year of disruption, uncertainty, and for some, financial hardship.

As Australia grappled with a global pandemic, HESTA took two snapshots of our members working in early childhood education and care (ECEC). Our research explored their workplace and industry attitudes, experiences and outlook prior to the pandemic in May 2019, and again in July 2020 during the COVID-19 outbreak.

The research is part of a broader project that analysed professionals' experiences across the health and community services sector generally. This report focuses on findings for the ECEC sector, supported by additional HESTA data and insights. It is part of a series of three reports which, in addition to ECEC, take a deeper dive into the aged care and the community and disability services sectors.

More than 63,000 of our members work in ECEC. We are extremely proud of their skill and commitment in supporting the early learning and development of children who attend their services. Whether our members work in long day care, outside school hours care, preschools and kindergartens or family day care settings, their expertise provides the strong foundations that are essential for children's success at school and beyond.

This research aims to support an improved work experience for members working in the sector. In doing so we're also supporting better financial outcomes for our members. A strong ECEC sector is also crucial to our broader membership, more than 80% of whom are women.

---



We know the vital connection between ECEC, women's workforce participation and lifelong earning capacity. In Australia, almost half of mothers do not return to work for more than two years after the birth of their first baby. These long absences from the workforce result in a direct loss of income while they are not in the workplace. But they also lead to longer-term earnings reductions because of foregone wage increases and promotion opportunities.<sup>1</sup>

The ECEC sector is crucial to our community and our economy. Adequately funding ECEC and ensuring high quality, long-term sustainable jobs in the sector should be key aspects of our economic recovery. This will yield a double dividend – creating the jobs of the future while also supporting women's workforce participation.

This has never been more important, given women have been disproportionately impacted by the COVID-19 outbreak.

While it is encouraging to see spending measures announced in the proposed 2021-22 Federal Budget, there must also be further focus on lifting pay and conditions in the sector.

The findings in this research - that a significant number of professionals would not recommend a career in the sector and feel uncertain about the future of their industry - are concerning. The research also sheds light on how this can be addressed.

Access to data that helps employers understand the factors that contribute to attracting and retaining professionals is a key challenge. As a super fund with a national footprint, HESTA can provide unique insights into the workforce that can support strategies aimed at retaining and attracting the skilled and talented people who will be needed to meet future demand.

We also understand the sector is diverse, with a variety of providers offering a range of services. We hope this research can provide all employers with insights to help them support and develop their most important asset: their people.

We remain committed to partnering with the sector to help inform and facilitate collaborative solutions to address some of the biggest sector challenges, such as workforce planning. This will affect the working lives of a significant number of our members and will also affect their quality of life in retirement.

We understand data is a key challenge for the sector as it undertakes this important work. That's why HESTA is committed to continuing to develop our workforce insights research program to inform solutions for the sector and shed light on how the global pandemic, economic recovery and policy changes continue to shape the landscape for the ECEC sector.

I want to thank all our members who participated in the surveys and the sector representatives who provided such thoughtful insights in their discussions with HESTA. Your experiences, knowledge and insights have been incredibly valuable and will help inform and continue the conversation about how we can create a stronger system for our nation.

I also want to acknowledge the collective and personal leadership shown by so many ECEC professionals during 2020. I'm confident many parents balancing working from home with the responsibility of caring for young children have an even deeper appreciation for your incredible work.

It is our ambition to make this research an ongoing piece of work, which I hope can lead to positive changes and greater recognition of the important work of professionals in ECEC.

**Debby Blakey**  
CEO

1. Vital Signs 2019, HESTA

## overview



**The early childhood education and care (ECEC) sector is at a critical juncture. The industry is forecast to expand substantially in the next five years, with the Australian Government predicting in 2019 that an additional 39,600 early childhood educators will be needed by 2024.<sup>2</sup>**

At the same time, the sector is competing with other education and health sectors in a 'war for talent', according to industry representatives with whom HESTA discussed this research. This difficulty in attracting and retaining professionals is not only a potential barrier to future growth, but may impact the quality of services provided.

The ECEC sector is diverse, with professionals working in services including long day care, outside school hours care, preschools and kindergartens and family day care. Long day care services account for the largest number with 8200 services nationally compared to approximately 500 family day care services.<sup>3</sup>

The sector also has a diverse range of employers, from large providers (who operate more than 25 services) to single service providers. One-third of services are operated by large providers, while 37% of services are operated by single-service providers.<sup>4</sup>

---

### **A challenge for the ECEC sector is therefore, 'how to retain and attract talent?'**

To support the sector in its future workforce planning, HESTA conducted primary research to better understand the work experiences, job intentions and industry attitudes of ECEC professionals. The research also considered the effect of COVID-19 on the sector at the time.

The research is part of a broader project which analysed professionals' experiences across the health and community services sector generally. *State of the Sector 2021: Early Childhood Education and Care Workforce Insights* focuses on findings for the ECEC sector, supported by additional HESTA data and insights.

HESTA intends to use this research to provide insights that can help the sector with workforce planning strategies and solutions to meet the growing demand for services, which can ultimately improve the working experiences and retirement outcomes for HESTA members working in ECEC and in health and community services more broadly.

---

2. "Child Carers" JobOutlook.gov.au, accessed 8 April 2021 via <https://joboutlook.gov.au/occupations/child-carers?occupationCode=4211>

3. "NQF Snapshot May 2021" ACECQA, accessed 9 July 2021 via [https://www.acecqa.gov.au/sites/default/files/2021-05/NQFSnapshot\\_Q1May2021.pdf](https://www.acecqa.gov.au/sites/default/files/2021-05/NQFSnapshot_Q1May2021.pdf)

4. Progressing a national approach to the children's education and care workforce; ACEQA, November 2019.

# methodology

**HESTA undertook two online surveys of HESTA members, one pre-COVID-19 (May 2019) and another during COVID-19 (July 2020). The responses were obtained from a random sample of HESTA members working across health and community services with open super accounts in the accumulation phase.**

Questions covered members' workplace experiences and job intentions, their employment satisfaction drivers, their attitudes towards their employer and industry, as well as how COVID-19 affected their work, financial situation and industry outlook.

In 2020, 4622 HESTA members working in or intending to return to work in health and community services participated in the survey. HESTA received responses from 364 members in ECEC across Australia. In 2019, 245 ECEC members participated.

In addition to the surveys, HESTA discussed the findings with representatives from five industry organisations, including employers, peak bodies and unions, to seek their perspective on what was occurring in the ECEC sector at the time and the impact of key industry issues. These interviews covered topics ranging from the impact of COVID-19 to the casualisation of the workforce, and wages and conditions. These thoughts and insights have been used anonymously throughout the report to provide context to the survey results.

A key difference that emerged in discussions with ECEC representatives was that the sector identifies more strongly with the education sector rather than the health and community services sector. This report includes relevant comparisons with other health and community services sectors. These comparisons are provided as there are health and community services sectors that in certain circumstances also compete for talent with ECEC. Whether this occurs can differ from state to state, and also between metropolitan and regional areas. For example, a Queensland provider HESTA discussed the research with had employees who worked across both aged care and ECEC.

During the COVID-19 pandemic these employees had to choose which sector they primarily worked in and responded to questions specifically related to that sector and the relative employer.

Comparisons with other health and community services sectors may also prove useful for regional providers where employment opportunities may be more limited and providers could be competing with these sectors for employees.

Future reports will include more comparison with the broader education sector, which industry representatives told us was a key competitor for talent as it is perceived as having better pay and status.

This report also includes other supporting data and insights, including the uptake by HESTA members of the Federal Government's early release of super scheme due to COVID-19.

HESTA has also developed a model to measure the preparedness of our members for retirement. This model has allowed HESTA to better understand the level of financial retirement readiness of our members who work in ECEC. Our experience over more than 32 years supporting members with their superannuation through education and advice is that a member's perception of their long-term financial security is a fundamental part of their overall sense of wellbeing. This can impact employees' engagement and satisfaction as well as their future job intentions. Data produced by this model has also been included in this report on pages 18 and 19.

Please note some infographics in this report may not equal 100% due to rounding.



**"Educators don't feel that the wider community necessarily understands the pivotal role they play. It's also a reflection on wages and conditions, because the way early educators measure whether they're valued is by how they are paid."**

**It's very hard to say you're valued by the wider community when you're paid minimum wage."**

# key findings

This report has two key themes.

## 1.

**Despite the challenges of a global pandemic, ECEC professionals returned a much stronger positive sentiment towards their employers and leaders in 2020 compared to 2019.**

Most survey participants (87%) reported feeling supported by their employers during the pandemic. Through several questions a theme of closer connection with their employers, teams and leader emerged. They reported feeling more appreciated by their employers, and were able to maintain high levels of satisfaction in their work.

This led to significant increases in the likelihood professionals would recommend working for their specific employer and leaders, as well as recommend the services of their employer. ECEC professionals returned stronger, positive employee Net Promoter Scores\* for these measures in 2020 compared to 2019.

## 2.

**There is still considerable negative workforce sentiment towards the ECEC sector overall. Large numbers of ECEC professionals (43%) were not likely to recommend a career in the sector.**

One in five said they intended to leave the industry in the short term, with participants citing low levels of pay and a lack of opportunity to develop new skills as two of the top three key reasons for leaving their employers.

Additionally, nearly one in three professionals felt the sector was not valued by the broader community. They felt the least valued by the community compared to other health and community services sectors. There is a persistent image of their work being 'just babysitting', according to industry representatives. This negative bias appears to be reinforced by structural factors within the industry.

**The research indicated there was a divergence in ECEC professionals' attitudes – while they felt more positive about their employers in 2020, they were still unhappy about the sector overall.**

This research potentially indicates employers and policy makers may need to consider the following when developing their workforce strategies:

1. Structural changes are required to retain and attract talent. It is clear employees felt their pay needed to increase, and there needed to be greater opportunities for skill development.
2. Employers can leverage their improvement in rapport with ECEC professionals to attract and retain staff. They can continue to show support to employees, and champion the need for structural changes within the industry that can help cultivate a greater proportion of the workforce who will advocate for the sector and help attract strong talent.
3. The narrative and language around ECEC needs to change.

Perceptions from those working in the sector of their status as educators remains a challenge, with industry representatives saying a section of the workforce was attracted to teaching in the school system due to better pay and greater recognition. Persisting community misunderstanding of their role is another challenge for retaining and attracting skilled professionals who may consider a long-term career in the sector.

There is widespread recognition within the sector of the need to change public perceptions. The Early Learning and Care Council of Australia (ELACCA) recently launched a national workforce campaign 'Big Roles in Little Lives' to refer to professionals as 'educators' rather than 'carer' or 'workers'. Given the strong improvements in sentiment identified in our research, this type of campaign may prove particularly effective, with employers potentially benefiting from stronger advocacy from their employees.

\*Net Promoter Score is a commonly used methodology to measure employee engagement.

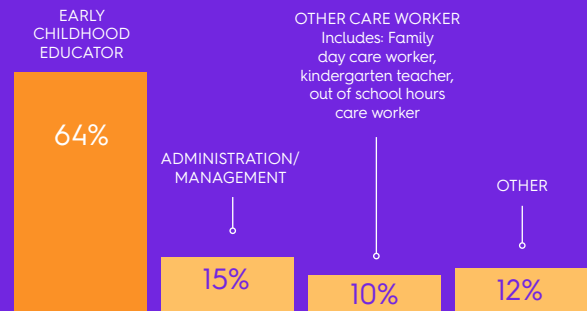
# who we spoke to in ECEC

→ **364** ECEC professionals participated in the workforce survey in 2020.

## gender



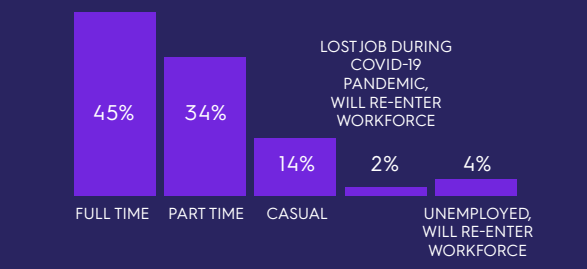
## role



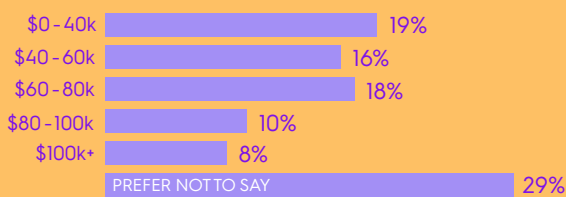
## tenure



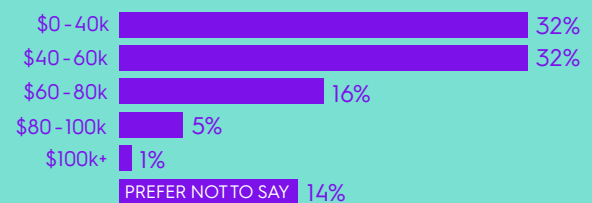
## work status



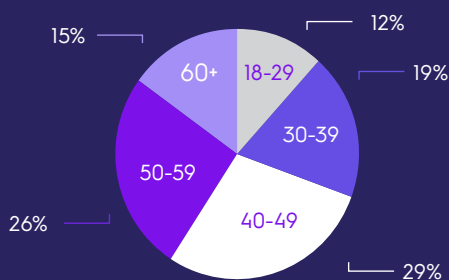
## household income



## personal income



## age



## state





# the COVID-19 impact

## COVID-19 put incredible pressure on an already stretched ECEC sector.

On 2 April 2020, the Federal Government announced one million families would receive free childcare during the pandemic<sup>5</sup> without addressing the pre-existing inadequacy of government funding of the sector. In addition, childcare services were not allowed to charge families for out-of-pocket expenses and had to remain open unless required to close on public health grounds.

The availability of free childcare led to a significant increase in demand for services, which providers struggled to meet due to these pressures and an already depleted workforce. The stress of meeting such demand led to further staff dropouts, exacerbating the problem.

Additionally, the Federal Government made significant, short-term changes to funding arrangements. The Child Care Subsidy was suspended and replaced by a 'business continuity payment'. This, alongside COVID-19 hygiene regimes, represented a significant disruption to existing business models.

Adapting to these changes was made harder in June 2020, when the Federal Government announced it would remove JobKeeper to the ECEC sector from 20 July 2020,<sup>6</sup> making ECEC professionals the first group of workers to lose access to JobKeeper. Other sectors were eligible to receive JobKeeper until the end of March 2021.<sup>7</sup>

During the pandemic there were calls for more investment in the ECEC sector to spur a broader economic recovery. Thrive by Five, a campaign by the Minderoo Foundation, led calls for free childcare to remain in place in the future. The campaign argued the costs of funding childcare would be offset by the return of an estimated 388,000 parents to the workforce, injecting \$27 billion into the economy.<sup>8</sup>

Similarly, The Parenthood, a movement of parents and carers across Australia, also played a strong role in advocating for policy reform in ECEC.

Importantly, the Victorian and New South Wales state governments have since pledged to fund free pre-school in 2021. Victoria's \$169.6 million scheme will save families around \$2000 for every child enrolled,<sup>9</sup> and New South Wales' \$120 million scheme will help more than 44,000 three-to-five-year-olds.<sup>10</sup>

Further changes to the sector are on the horizon. The Australian Children's Education & Care Quality Authority (ACECQA) is coordinating the development of a new ten-year National Early Childhood Workforce Strategy, which plans to address the ongoing workforce issues in the sector.<sup>11</sup> Additionally, ACECQA will finalise its National Quality Framework Review, which was delayed due to COVID-19. This will have significant ramifications for the operations and standards of providers.<sup>12</sup>

---

5. Michael Klapdor "Coronavirus Response-Free Child Care". [aph.gov.au](https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/FlagPost/2020/April/Coronavirus_response-Free_child_care). Accessed 9 April 2021 via [https://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/FlagPost/2020/April/Coronavirus\\_response-Free\\_child\\_care](https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/FlagPost/2020/April/Coronavirus_response-Free_child_care). 6. "JobKeeper rule changes for child care providers", Australian Tax Office, accessed 8 April 2021 via <https://www.ato.gov.au/Non-profit/Newsroom/Looking-after-your-workers/JobKeeper-rule-changes-for-child-care-providers/>. 7. Andrew Probyn, "JobKeeper for childcare out, renovations in: Morrison's perplexing experiment turns the focus from women to men" *Australian Broadcasting Corporation*, 9 June 2020. Access 28 April 2021 via <https://www.abc.net.au/news/2020-06-09/childcare-changes-to-disproportionately-affect-women/12333398>. 8. David Penberthy, "Coronavirus: Universal childcare can thrive, says campaign" *The Australian*, 1 September 2020. Accessed 8 April 2021 via <https://www.theaustralian.com.au/nation/politics/coronavirus-universal-childcare-can-thrive-says-campaign/news-story/07804eb0338b5a710e800c2b5c25fc2a>. 9. "Free Kinder", Victoria State Government, accessed 8 April 2021 via <https://www.education.vic.gov.au/childhood/providers/funding/Pages/freekinder2021.aspx?Redirect=1>. 10. "\$120 million extra for free preschool program to help parents" *NSW Government*, accessed 9 April 2021 via <https://www.nsw.gov.au/media-releases/120-million-extra-for-free-preschool-program-to-help-parents>. 11. "National Workforce Strategy" ACECQA, accessed 2 April 2021 via <https://www.acecqa.gov.au/national-workforce-strategy>. 12. "2019 NQF Review" ACECQA, accessed 2 April 2021 via <https://www.acecqa.gov.au/2019-nqf-review>



---

## COVID-19 early release of super scheme

The Federal Government's COVID-19-related early release of super scheme allowed Australians whose jobs and income were affected by the pandemic to withdraw up to \$10,000 from their super in the 2019-20 financial year, and a further \$10,000 in the 2020-21 financial year up to December.

Under this scheme, a total of \$1.8 billion was paid to approximately 160,000 HESTA members. More than 64,000 HESTA members made claims in both phases of the scheme.

Members in the aged care, community services and ECEC sectors were more likely to make a claim than members in other health and community services sectors. Nearly 20% of HESTA ECEC members made a claim. The average claim for ECEC professionals was \$10,532.

Concerningly, ECEC members experienced the largest fall in account balances out of the health and community services sectors, with the median balance falling by around 49%. On 15 January 2021, the median super balance for ECEC members who made a claim under the scheme was \$10,751, compared to a median balance of \$21,237 prior to claiming.

Concerningly, ECEC members who made a claim now had the lowest median account balance compared with cohorts of HESTA members in other health and community services sectors who made a claim. Given that ECEC members who made a claim had the lowest estimated average salary (\$44,503) of claimants in other health and community services sectors, rebuilding their super balances will be harder.

---

### HESTA ECEC members and the COVID-19 early release of super (ERS) scheme

<b>Number of ECEC members who claimed</b>	<b>9783</b>
Average claim amount	\$10,532
Number of ECEC members who claimed in both Tranche 1 and 2	3885
% of HESTA ECEC members who made a claim	19.6%
% of HESTA ECEC members who made a claim, and claimed full \$20K	22.4%
% of HESTA ECEC members who made a claim, claiming in both tranches	40%
Estimated average salary of ECEC claimants	\$44,503
Median account balance after early release*	\$10,751

\*As at 15 January 2021; median balance for accounts that remained open

**Note:** based on number of HESTA members as at 17 April 2020, which was just prior to the commencement of the ERS scheme.

# employee outlook and experiences

## The typical experience of the ECEC professional during COVID-19 could be described as ‘needing support through hardship’.

The hardship was driven by the disruption the sector faced during the pandemic. A significant number of professionals had their work hours reduced, and many said they felt moderate to uncertain about the longevity of the ECEC industry post-pandemic. Compounding this hardship, nearly one in three ECEC professionals felt their skills and experiences were not valued by the broader community. This was despite the nationwide recognition that they were ‘essential workers’.<sup>13</sup>

Nevertheless, the majority of ECEC professionals (87%) felt they were supported by their employers with almost half (48%) feeling strongly supported by their employer. This was most prevalent among professionals in administration or management roles, with 67% feeling strongly supported compared to 47% of early childhood educators.

Those who felt strongly supported by their employer during COVID-19 were also significantly more likely to recommend their employer.

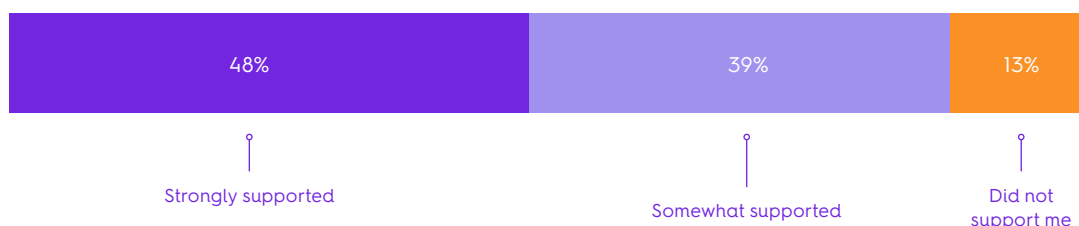
They were also more likely to recommend working for their managers and leaders in 2020 (see **advocating for ECEC**, page 24), indicating ECEC professionals recognised and appreciated the pressures their leaders were under throughout the pandemic.

*“In a small workplace, which is the majority of workplaces in ECEC, we’re all stressed and we all just pulled together and got whatever needed to be done, done.”*

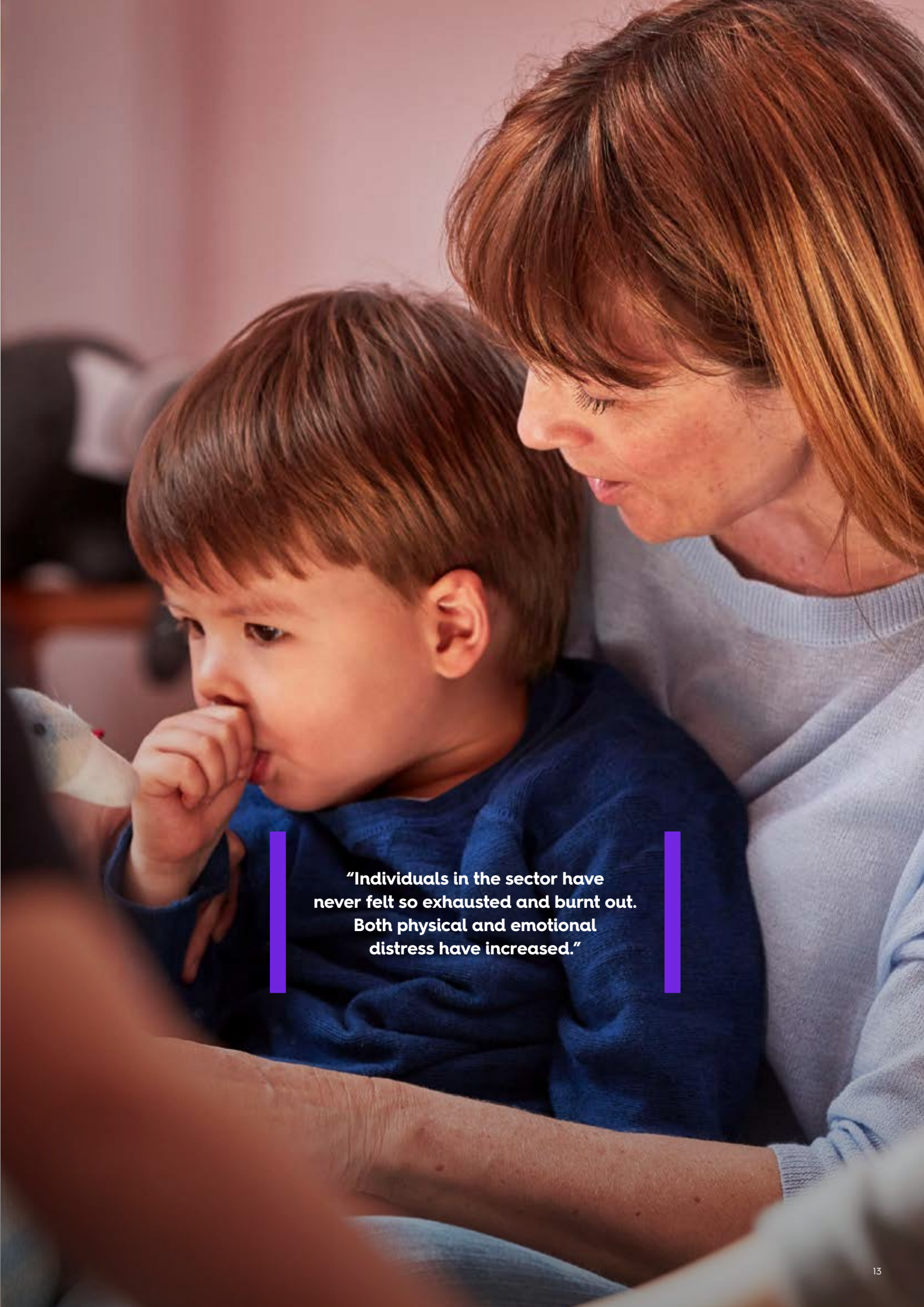
Additionally, the research showed professionals who felt appreciated by their employer were significantly more likely to intend to stay in the industry and with their current employer. However, those who did not feel supported by their employer during COVID-19 were more likely to plan to move to another employer.

The significant disruptions caused by COVID-19 appear to have only intensified the long-term problems of the sector, such as low pay. Nevertheless, this research indicates the sector may have an opportunity to leverage this greater connection between employers and employees to attract and retain people in ECEC.

## How do you think your employer supported you during the coronavirus pandemic?



<sup>13</sup>. Adam Carey and Jordyn Beazley, “JobKeeper plea for childcare workers locked out of work in lockdown” The Age, 23 August 2020. Accessed 28 April 2021 via <https://www.theage.com.au/national/victoria/jobkeeper-plea-for-childcare-workers-locked-out-of-work-in-lockdown-20200821-p55o34.html>

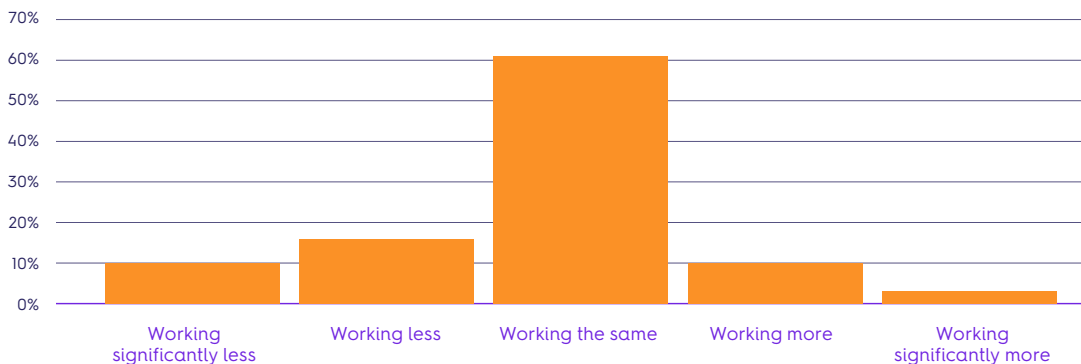


**“Individuals in the sector have never felt so exhausted and burnt out. Both physical and emotional distress have increased.”**

# disruption to work hours

The research found one in four (26%) ECEC members had their paid working hours reduced, making ECEC professionals more likely to be working less hours compared to other health and community services sectors surveyed.

## Did the coronavirus pandemic have any impact on your paid working hours?

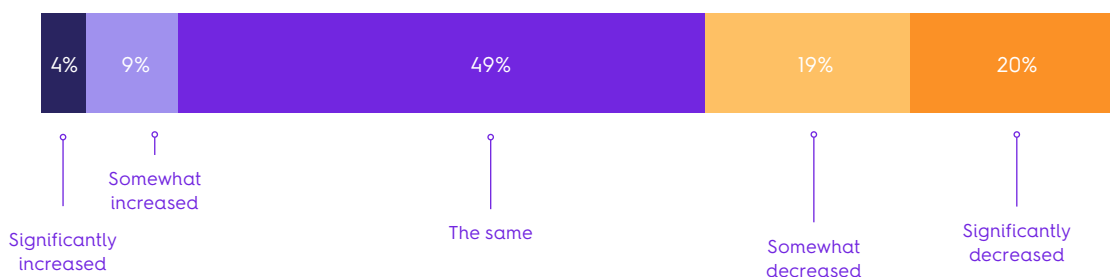


Additionally, 38% stated their household income had somewhat or significantly declined due to the impact of COVID-19. The decrease in household income was more likely to affect those aged between 30 to 39 (54%), followed by those aged between 18 and 29 (44%). The reduction in paid working hours and income reflects the fact that hundreds of centres were required to close during COVID-19 either due to lockdown measures or as a result of positive COVID-19 cases. This research was conducted in July. It didn't capture the impact of Victoria's Stage Four restrictions. ECEC services in metropolitan Melbourne were closed from early August 2020 until late September except to children of essential workers. Kindergarten and early childhood centres in regional Victoria, however, remained open to all children.

Those working in ECEC casually were more likely to have experienced an impact on their hours, with more than half (56%) reporting their hours had been reduced. Consequently, over half (52%) of professionals working casually reported that their household income had decreased, in comparison to around a third of part-time (34%) and full-time (32%) professionals.

Other care workers (see definition on page 8) were more likely to have experienced a negative effect on their household income with 54% reporting their household income had decreased compared to 38% of early childhood educators and 27% of professionals in administration or management.

## Did the coronavirus pandemic have any impact on your household income?



# industry outlook

The research found that, while the majority of ECEC professionals (58%) felt confident about the future of their industry, the ECEC workforce was one of the least confident workforces compared to other health and community services sectors.

Around one in five ECEC professionals were somewhat or very uncertain about the future of their industry, with no significant difference in responses by state. This may reflect a general uncertainty about the challenges to some ECEC providers' business models, and the long-term workforce problems facing the sector.

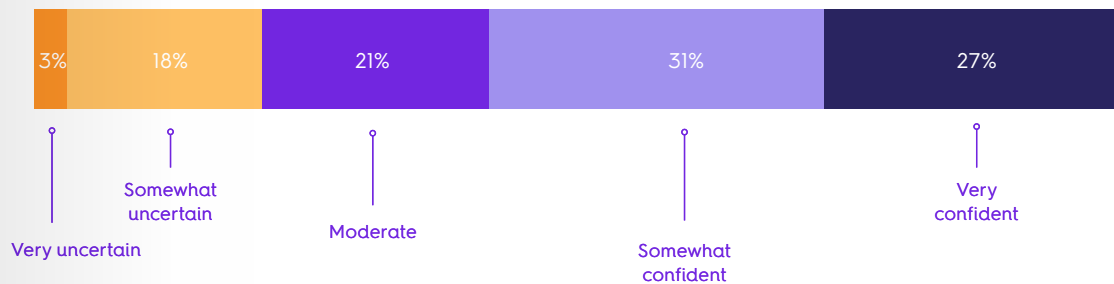
This uncertainty about the future of the industry from ECEC professionals is at odds with the growth forecasts from industry representatives. One industry representative was confident that "our industry was growing rapidly" and said, "turnover is increasing month on month".

Additionally, ACECQA reported the number of approved services increased by two per cent nationwide over 2020, despite the significant disruptions that the sector faced.<sup>14</sup>

One industry representative suggested the media and public narratives surrounding the ECEC industry could be causing the uncertainty among ECEC professionals.

*"Last year, across Australia, there were nearly 1800 new service providers. That's 30-plus thousand new jobs, and at an industry level we are expecting that to keep getting created year on year for the next few years."*

## Which of the following best describes how you feel about the future of the industry you typically work in post-coronavirus?



<sup>14</sup>. "NQF Snapshot December 2020" ACECQA, accessed 2 April 2021 via [https://www.acecqa.gov.au/sites/default/files/2021-02/NQFSnapshot\\_Q4Dec2020\\_0.pdf](https://www.acecqa.gov.au/sites/default/files/2021-02/NQFSnapshot_Q4Dec2020_0.pdf)

# appreciation by employers, community and clients

## The research showed ECEC professionals felt more appreciated by their employers the COVID-19 outbreak than in 2019.

The average score out of 10 for feeling appreciated by their employers increased from 6.9 in 2019 to 7.4 in 2020. Most ECEC professionals (63%) said they felt strongly appreciated, significantly more than most other health and community services sectors.

Respondents working in administration or management were most likely to feel appreciated by their employers, with 83% strongly agreeing their work was appreciated compared to 59% of early childhood educators and 50% of other care workers.

The industry representatives interviewed suggested the core driver behind these positive attitudes was a new respect for strong leadership and a culture of care in the sector: *“I think a lot of early educators really recognise the pressure and stress that their centre directors were under, and how much they had to manage in terms of new health and safety regimes, new funding arrangements, redo all of the rosters all at a moment’s notice...most educators that may not have always appreciated their centre directors before could see that this was an incredibly stressful time for them.”*

Amid the disruption and stress, professionals and their employers continued to come together as a team. As one representative said: *“I think the whole team-based culture and supporting each other ... is a really strong way that the early education sector works.”*

While more than half of ECEC professionals felt the community valued their skills and experience, on the other hand, a significant number did not feel appreciated by the broader community (32%)

– significantly more than other health and community services sectors. The average score was relatively stable in 2019 and 2020, so despite an increase in employer appreciation, ECEC professionals' sense of community appreciation was unchanged. The ECEC workforce also had the lowest score (6.9) – every other health and community services sector had a 2020 score greater than seven.

The research highlighted a divergence between ECEC professionals feeling appreciated by their employers and feeling valued by the wider community.

Feeling that the community does not value their work and experience is a persistent issue. As one representative stated: *“When it comes to the broader community, there is a lot of commentary around well, they’re just childcare workers. Why should they have qualifications? Why should they be paid any more? Anybody can do it...the broader community doesn’t value or understand the work.”*

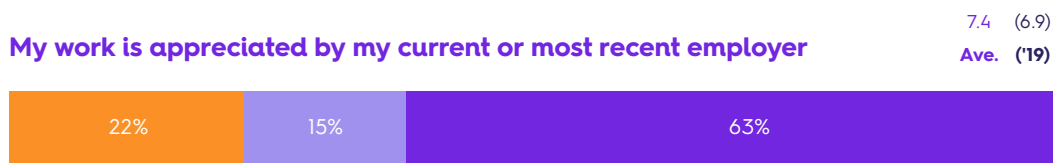
While most health and community services sectors were deemed ‘essential services’, it appears this did not translate to ECEC professionals feeling more appreciated by their community.

*“They were called essential workers, but none of the things that actually showed that they were appreciated like essential workers came into fruition. Nothing improved in their work stability or security. Nothing improved in terms of how they were supported during the COVID-19 crisis, and in many cases, they felt like they were left to fend for themselves.”*

### My skills and experience are valued by the community



### My work is appreciated by my current or most recent employer





# industry pride and job satisfaction

The research found job satisfaction among ECEC professionals rose slightly during COVID-19 in 2020, from an average score of 7.1 out of 10 to 7.6.

Additionally, strong feelings of pride in the industry remained constant in the year, with ECEC professionals returning an average score of 8.3 out of 10 in both 2019 and 2020.

These results are noteworthy, considering 2020 was a year of high stress for ECEC professionals. This was particularly so for smaller, not-for-profit providers, according to industry representatives with whom HESTA spoke.

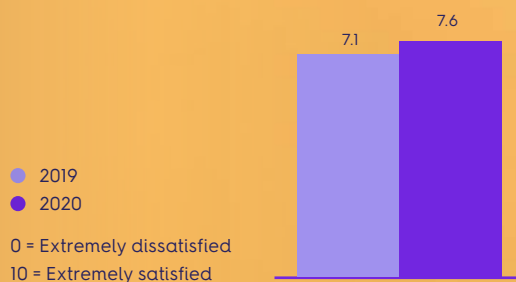
Industry representatives indicated one reason for sustained satisfaction and pride was the nature of early childhood work, which offered professionals a greater level of autonomy. As one representative noted: *“There is a lot more scope for professional judgement and working with children on their early learning without limitations than you would experience in the schooling sector.”*

*“Early childhood is actually based on child development more than a pre-prescribed curriculum.”*

Other potential reasons for the sustained satisfaction include ECEC professionals having felt like they received high levels of support from their employers (see **employee outlook and experiences**, page 12) and the ‘team-based’ approach of providers (see **appreciation by employers, community and clients**, page 16).



## How satisfied are you with your role at your employer?



# a typical HESTA member in ECEC

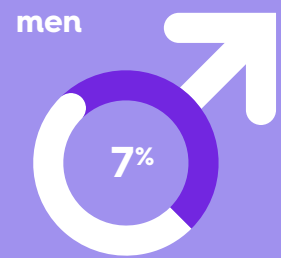
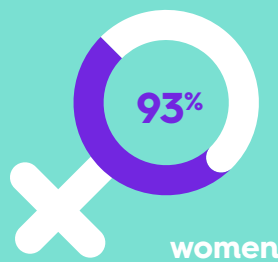


## 63,391

HESTA members in ECEC

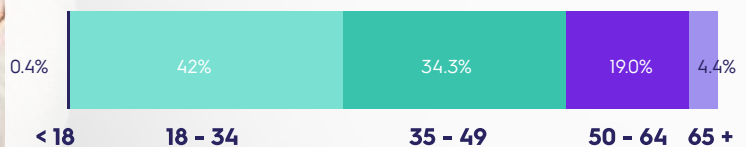
### gender

HESTA ECEC members are predominantly women.



### age

Over three quarters (76%) **are under the age of 50**, with the highest proportion of members aged between 18-34.



### salary

The estimated median salary for HESTA members in ECEC is

**\$43,712**  
per year before tax.

**40.6%**  
of ECEC members

are estimated to **earn less than \$50,000 a year** before tax - the greatest proportion of all health and community services sectors.

## retirement readiness

HESTA has developed a model to measure the retirement readiness of our members. Aged care professionals are the least prepared for retirement (23.8%).

**28.1% of ECEC members are retirement ready**, compared to 62% of members working in public hospitals, 29.6% of community services and 38.2% of primary health.

ECEC :

**28.1%**

AGED CARE :

**23.8%**

COMMUNITY SERVICES :

**29.6%**

PRIMARY HEALTH :

**38.2%**

## super balances

HESTA members working in the ECEC sector have the **lowest median super balances** across all HESTA members in health and community services. 74% have a super balance of less than \$50,000.

While working women in ECEC have a higher median balance compared to men, their median super balance at retirement is **24% lower**.

### working members (in ECEC)

Women  
**\$17,891**

Men  
**\$9,028**

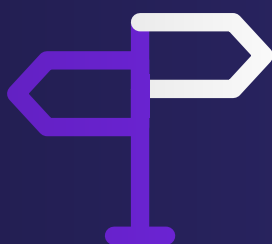
### retired members (in ECEC)

Women  
**\$168,167**

Men  
**\$221,129**

## where they work

**57%** / **43%**  
METRO / REGIONAL



NT  
**1.1%**

WA  
**3.1%**

QLD  
**8.7%**

ACT  
**3.5%**

NSW  
**49.4%**

SA  
**2.5%**

VIC  
**30.3%**

TAS  
**1.1%**

HESTA ECEC members work or have worked mainly in metropolitan areas and along the east coast of Australia\*.

\*Unknown: 0.2%

# job intentions

**The ECEC sector is critically short of qualified and experienced staff. With the research showing almost one in five ECEC professionals intended to leave the industry in the next couple of years, there is a compelling need to examine why.**

The research explored reasons why employees would stay with or leave their current employer. While low pay and wanting to try something different were factors in planning to leave, the desire to develop new skills was the top reason.

Given the large proportion of ECEC professionals who felt appreciated by their employer and liked the company they worked for, these findings may help the sector improve the retention and development of ECEC professionals.

Attracting new staff is a challenge and the ongoing war for talent, across ECEC and other sectors means ECEC employers could benefit from a greater understanding of what professionals want from their careers in ECEC.

The research found 76% of members said they intended to stay with their current employer in the short term, up from 67% in 2019. Only 6% planned to move within the industry. Again, this may be due to the positive improvement in professionals' attitudes towards their employers and leaders. The increase in professionals who intended to stay with their current employer could possibly be linked to concerns about the likelihood of finding alternative work in the context of increasing unemployment rates during COVID-19.

Nevertheless, almost one in five members reported they had plans to leave the industry in the next year or two, a figure roughly consistent across the rest of health and community services.

Even though the figures are consistent across health and community services, one in five professionals intending to leave is still a cause for concern. Other studies report this percentage to be higher, particularly those studies which segment professionals by state. For example, one study reported two out of three ECEC professionals in Victoria intended to leave the industry.<sup>15</sup>

The research found other care workers were more likely to plan to leave the industry in the short term (26%) compared to early childhood educators (16%) and professionals in administration or management (17%).

The findings also showed professionals aged 18 to 29 and those aged 40 to 49 were most likely to plan to leave the industry (23%), representing a loss of experience from the sector. Professionals aged 30 to 39 were more likely than other age brackets to move within the industry. However, it is important to note that, across all age groups, at least three-quarters or more of respondents intended to stay with their employer.

---

**Which of these best describes your short term plans (i.e. for the next year or two) for your role at your employer?**

Stay with employer	Move within industry	Leave industry
76% (67%)	6% (15%)	19% (18%)

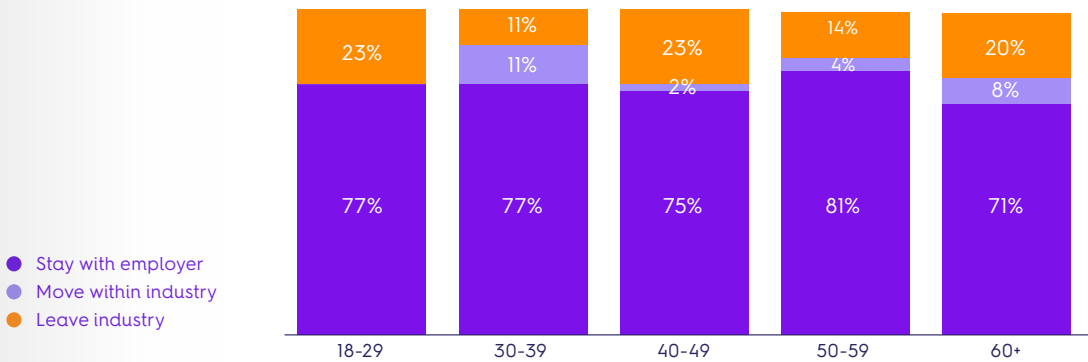
---

---

<sup>15</sup> Jen Jackson, "Early childhood educators are leaving in droves. Here are 3 ways to keep them, and attract more" The Conversation January 15, 2021. Accessed 2 April 2021 via <https://theconversation.com/early-childhood-educators-are-leaving-in-droves-here-are-3-ways-to-keep-them-and-attract-more-153187>

---

**Which of these best describes your short-term plans (i.e. for the next year or two) for your role at your employer?**



The industry representatives interviewed confirmed the figures reflected a large concern for the industry with one stating:

*“One of the biggest challenges we have got is not hanging onto the people we’ve got.”*

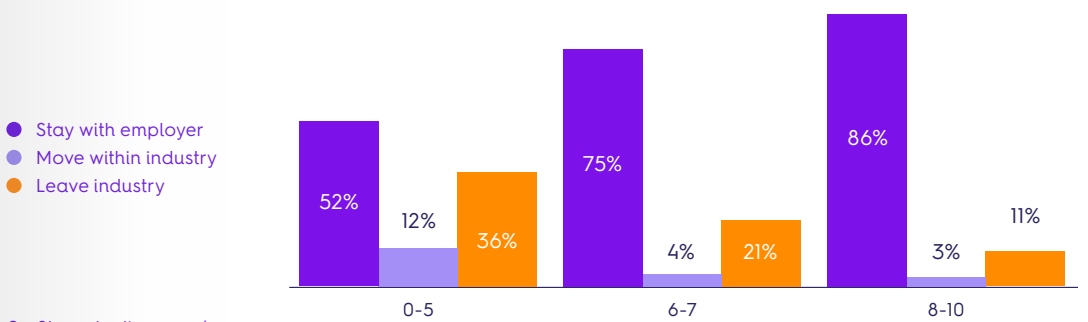
The consensus in the interviews was that ECEC professionals who leave the sector either move to schools or other healthcare sectors. They said the school system typically offers higher pay, better conditions and a clearer career path. They also said other health care sectors, like aged care, also offer higher pay, more hours and greater flexibility.

*“Aged care was paying better and offering more hours and we got absolutely hammered. We lost massive chunks of our casual workforce because they were actually working both sectors”.*

One representative said the ECEC sector is losing the war for talent, and employers need to better understand what professionals like and dislike about the sector.

Feeling appreciated by their employer was strongly linked to an intention to stay in the industry. Conversely, those who did not feel appreciated were significantly more likely to move employer or industry.

**Which of these best describes your short-term plans (i.e. for the next year or two) for your role at your employer?**



0 = Strongly disagree / 10 = Strongly agree

Rating out of 10 in response to: “My work is appreciated by my current or most recent employer”

# reasons for wanting to stay with or leave employer

The research explored the key reasons why ECEC professionals would want to stay with their employers. ECEC professionals said the top reason was ‘colleagues or co-workers’. This may reflect the non-hierarchical, teams-based culture of the ECEC sector.

*“One of the key factors people do stay for probably longer than they should is because they like the people they’re working with. They don’t want to let that group down for leaving. It’s always been a really key component of people’s satisfaction in working in ECEC.”*

The second reason was ‘location’, which potentially indicated personal care needs during COVID-19. Industry representatives were not surprised location ranked so highly in the findings:

*“A lot of people in early childhood care have young children – they either have children located in the service close to home or close to work...they are looking to work close to home.”*

This statement appeared to be supported by the research findings, which found one in three ECEC professionals were part of a couple with children at home. Nearly 10% were single parents. The third reason for staying was ‘I like the company I work for’. Again, this may be due to the large proportion of ECEC professionals who felt strongly that their work was appreciated by their employer, and who felt supported by their employers during COVID-19.

Interestingly, the driver ‘My job is personally rewarding’ while not in the top three reasons to stay with their employers was the fourth reason respondents nominated as a reason to stay with their employer.

The research also investigated the reasons why ECEC professionals would want to leave their employers. ECEC professionals said the top reason to leave because they ‘want to develop new skills’.

One industry representative noted that in small, standalone service providers, the opportunities for skill development and career progression were limited, with career progression opportunities in larger providers not necessarily noticed by professionals working in standalone services. This is particularly concerning as 81% of providers are standalone providers (operating only one service).<sup>16</sup>

The next two reasons for professionals wanting to leave the industry were the desire to try something different and low pay.

The ECEC sector is a minimum wage industry. According to the National Skills Commission’s JobOutlook website, a qualified (bachelor’s degree) Early Education Teacher will receive, on average, \$1488 a week.<sup>17</sup> A non-qualified Child Care Worker or Aide will receive, on average, \$953 a week.<sup>18</sup>

One industry representative noted these figures were especially concerning, considering the high expectations that have been placed on ECEC professionals, particularly during COVID-19:

*“[We’ve] never had fewer staff. We’ve never had more expectations on us from cleaning, and hygiene and quality. We’ve got parents who want us now to support their children in-centre, and have an expectation that we’re providing resources to support in-home learning when they’re in lockdown...but [ECEC professionals] are still on minimum wage.”*

The research indicates that while ECEC professionals like the organisations for whom they work and their colleagues, structural barriers such as a lack of pay and a lack of skills development opportunities are causing them to want to leave. These findings potentially indicate key priorities for employers and government when developing workforce strategies to attract and retain talent.

Top three reasons to <b>stay</b> with their employers		
1.	2.	3.
Colleagues / co-workers	Location	I like the company I work for

Top three reasons to <b>leave</b> their employers		
1.	2.	3.
I want to develop new skills	I want to try something different	I’m not paid enough

# employee likes and dislikes about their role

The research also asked participants about their ‘likes and dislikes’ about their roles. These factors generally reflected the reasons to stay and leave the industry.

The top three most-liked aspects of ECEC work were colleagues, a rewarding job, and location. It’s important to note that while the option ‘my job is personally rewarding’ featured in the top reasons for ECEC professionals to like their work, this did not translate into a reason for why they would stay in the industry (see **reasons for wanting to stay with or leave employer**, page 22).

This finding is a clear indicator employers cannot rely on the rewarding nature of the work alone to retain staff. Only one in four professionals nominated the ability to develop new skills and flexibility of hours as a reason for staying with their current employer.

Top three <b>most-liked</b> aspects of members' roles		
1.	2.	3.
Colleagues / co-workers	Job is personally rewarding	Location

## Salary and career progression stood out as top reasons members gave for disliking their work.

Members identified salary as the most-disliked aspect of their jobs, followed by a lack of opportunities for growth or promotion and benefits.

One industry representative suggested there were competing interests when it came to increasing wages. There were discussions about the significant “market forces” at play that increased demand for ECEC services, which in turn has driven demand for ECEC professionals. They said this in turn should increase the bargaining power of ECEC professionals, which theoretically should increase wages.

On the other hand, the industry representatives said employers were unable to offer higher wages, since they were unable to raise the prices of their services:

*“The government brought in these new subsidies. They are squeezing the industry to say, we want more money in the pocket of families, stop putting your prices up so much.”*

HESTA’s discussions with industry representatives highlighted an apparent tension: market forces should be driving up wages, yet the “highly politicised” nature of the ECEC sector is limiting such growth.

Top three <b>most-disliked</b> aspects of members' roles		
1.	2.	3.
Salary	Not enough opportunities for growth (promotions)	Benefits

16. “NQF Snapshot May 2021” ACECQA, accessed 9 July 2021 via [https://www.acecqa.gov.au/sites/default/files/2021-05/NQFSnapshot\\_QIMay2021.pdf](https://www.acecqa.gov.au/sites/default/files/2021-05/NQFSnapshot_QIMay2021.pdf)  
 17. National Skills Commission JobOutlook accessed on 18 May 2021 via <https://joboutlook.gov.au/occupations/early-childhood-pre-primary-school-teachers?occupationCode=2411>  
 18. National Skills Commission JobOutlook accessed on 18 May 2021 via <https://joboutlook.gov.au/occupations/child-care-workers?occupationCode=42111>

# advocating for ECEC

We asked ECEC professionals to indicate how likely they were to recommend working in the ECEC sector, and the likelihood they would recommend their employer and leaders to friends and family.

The results exposed a split in attitudes. There were more professionals who would not recommend working in ECEC than those who would advocate for a career in the sector, reflecting their dissatisfaction with pay and career progression. Feeling supported by their employer had a significant influence on advocacy; professionals who felt strongly supported during COVID-19 were the most likely to recommend a career in their industry.

While there were more professionals who would not recommend a career in the sector, this trend was reversed when it came to advocating for their specific employer. More professionals were likely to be advocates than detractors for their specific employer and leaders, which may also reflect strong levels of support some professionals received during COVID-19, the strong demonstrations of leadership, as well as the team-based culture of the ECEC sector.

Interestingly, the data revealed the likelihood of professionals to recommend their employer differed according to role, with the highest results from professionals in administrative and management roles followed by early childhood educators and other care workers.

This reluctance to recommend a career in the sector but greater advocacy for their employer is a recurring theme of this report. Importantly, the Net Promoter Scores indicate significant swings in attitudes between 2019 and 2020, highlighting the impact COVID-19 has had on professionals and their perceptions of the industry.

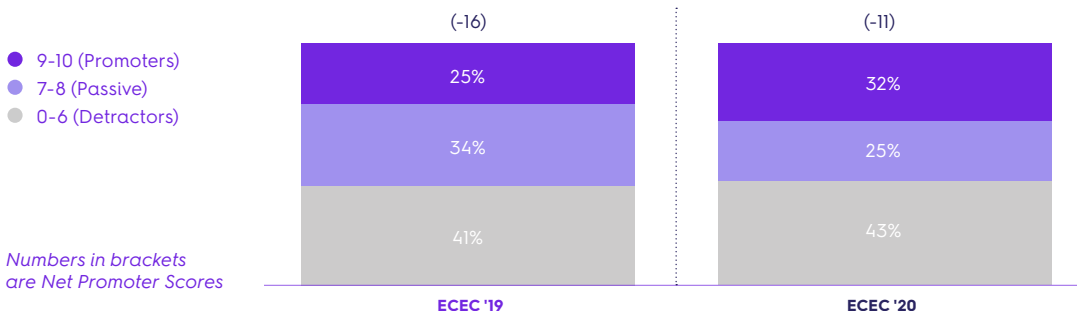
## career in the sector

The research found most ECEC professionals were unlikely to recommend a career in the industry.

A significant number (43%) of members in 2020 would advocate against a career in the sector (detractors). This could potentially be a significant barrier to attracting new people into ECEC. Only 32% would recommend a career in the industry, although this has increased from 25% in 2019.

Professionals in administration or management roles were more likely to recommend a career in the sector; those who did not feel supported by their employer during COVID-19 were significantly less likely to recommend a career in the sector.

I would **highly recommend** a career in this Industry







# employers and their services

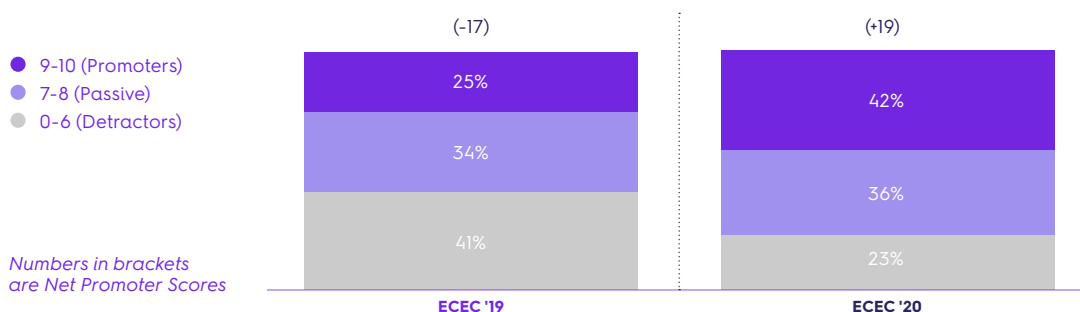
## The research found the likelihood of ECEC professionals to recommend working for their employer has improved.

The Net Promoter Score increased significantly from 2019, from -17 to +19. This was driven by the sharp increase in proportion of respondents who would actively recommend working for their employer (promoters) from 25% in 2019 to 42% during the pandemic. There was also a significant fall in the proportion of respondents who were detractors. Fewer than a quarter would advocate against their employers. These results indicate a stronger connection existed between employees and their employers during COVID-19 than prior to the pandemic.

Professionals in administration or management roles were the most likely to recommend their employer, with a Net Promoter Score of +46 compared to early childhood educators (+16) and other care workers (+9).

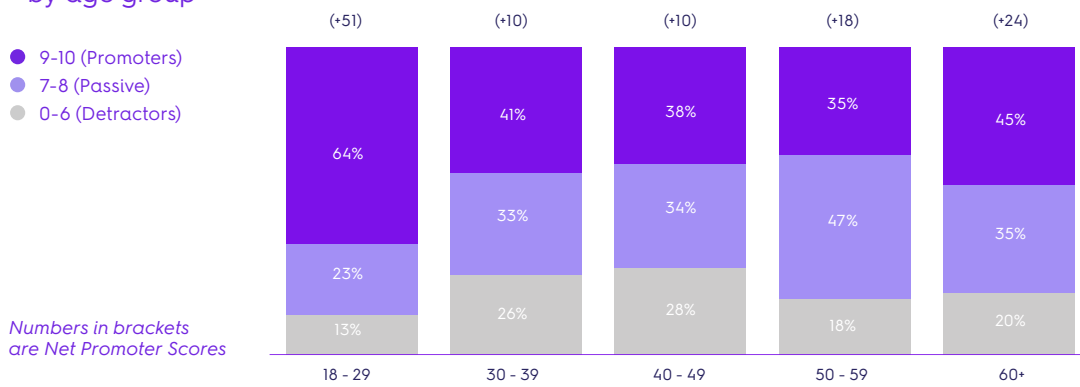
The research also showed those who felt positive about their career opportunities were significantly more likely to recommend their employer with a Net Promoter Score of +49 compared to those who did not feel positive (-16). These findings further indicate career progression should be carefully considered when developing workforce strategies.

## How likely would you be to recommend **working at your employer** to a family member or friend?



While all age groups had positive Net Promoter Scores, interestingly, younger workers were much more likely to recommend their employer, with those aged 18 to 29 returning the highest Net Promoter Score (+51) across all age groups.

## Likelihood to recommend **working at employer** in 2020 to a family member or friend - by age group



The employer Net Promoter Scores show a significant level of passive respondents. This could point to a potential opportunity for employers to further improve their Net Promoter Scores as it is typically easier to convert passive respondents to promoters than it is to shift detractors. Conversely, the significant numbers of passive respondents may also indicate the risk of a decline in these relatively strong Net Promoter Scores, if passive respondents were to become detractors.

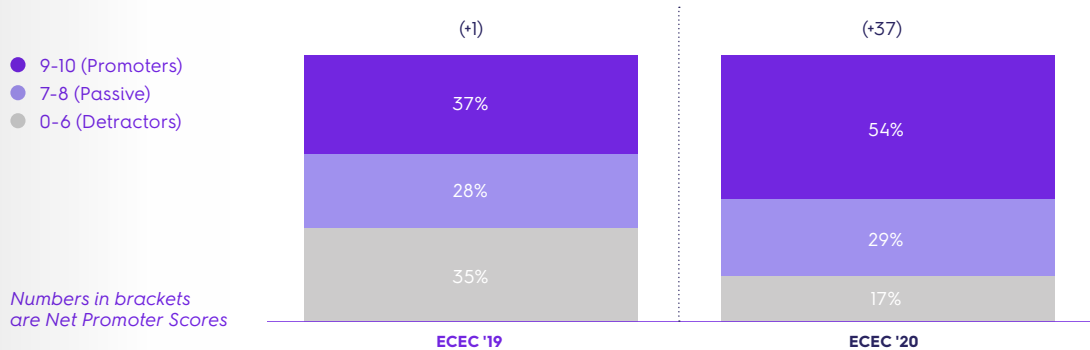
Additionally, the research found ECEC professionals were also more likely in 2020 to recommend their employer's services to a family member or friend compared to 2019.

More than half (54%) of ECEC professionals would actively recommend their employer's services, while only 17% would not. It is clear the majority of ECEC professionals believed their employers provide a high-quality service - a significant change from 2019.

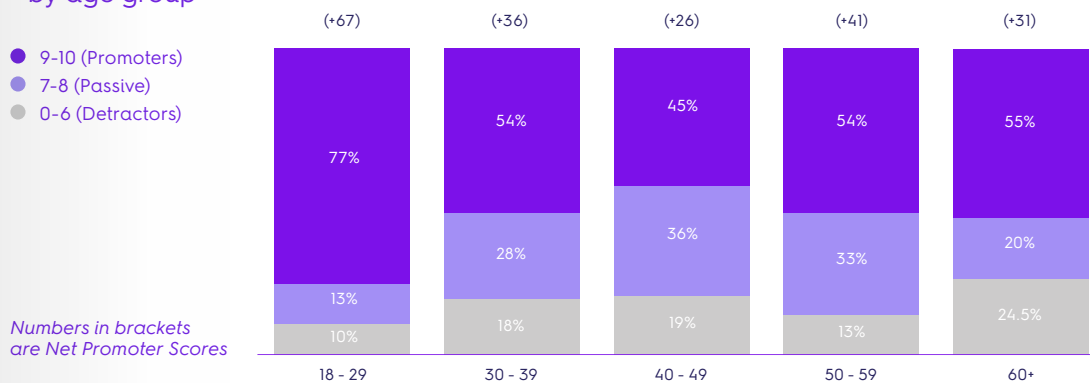
Those in administration or management roles were most likely to recommend their employer's services with a Net Promoter Score of +57 compared to early childhood educators (+33) and other care workers (+35).

And again, the research showed younger workers were the most likely to recommend their employers' services, while professionals aged 60 and over were most likely to be detractors.

### How likely would you be to recommend **your employer's services** to a family member or friend?



### Likelihood to recommend **employer's services** in 2020 to a family or friend - by age group



# leaders and managers

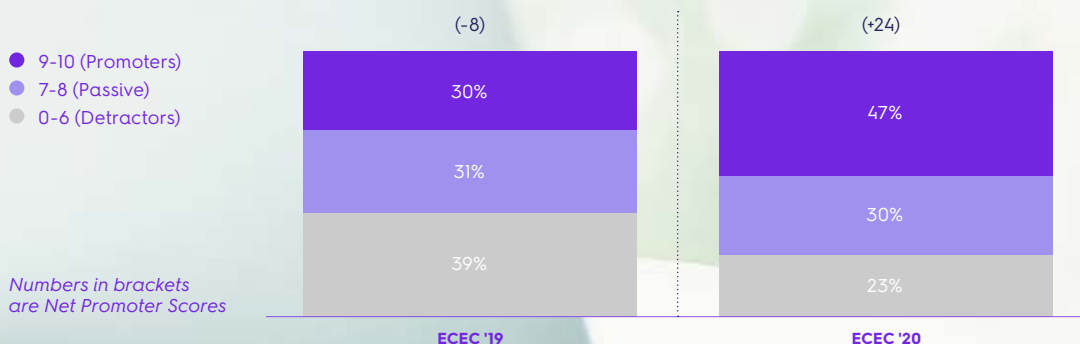
**While significant numbers of professionals were detractors when it came to recommending a career in the sector, they have become strong advocates for their leader or manager.**

The research found substantial increases in the likelihood ECEC professionals would recommend working for their leader or manager in 2020 compared to 2019. The Net Promoter Score increased from -8 in 2019 to +24 in 2020. Nearly half (47%) of ECEC professionals were promoters of their leader, while just 23% of members were 'detractors'.

Those working in administration or management roles were most likely to recommend their leader or manager with a Net Promoter Score of +52 compared to early childhood educators (+20) and other care workers (+9).

Once again, this highlights the strong leadership of ECEC managers during COVID-19, and the considerable influence they have.

How likely would you be to recommend **your leader or manager** as a person to work for, to a family member or friend?





**“There’s a real unhappiness with a future career in early education. They may love their work, but they know they cannot afford to stay.”**

# conclusion

**This report demonstrates some deep-seated challenges facing the ECEC sector, which were amplified in 2020 by the COVID-19 pandemic. Representatives from the sector told HESTA the workforce had paid a physical and emotional toll, observing levels of exhaustion and burnout were at an all-time high.**

---

ECEC professionals felt the financial impacts of COVID-19 through reduced hours and a decrease in household income. They were also the first employees to have the Federal Government's JobKeeper supplement removed. The prevalence of financial hardship was demonstrated by nearly 20% of HESTA members working in ECEC making a claim under the Federal Government's early release of super (ERS) scheme.

The impact on these members was considerable. This group saw their median account balance fall by an average of 49%. They also had the lowest median superannuation balances compared to cohorts of HESTA members in other health and community services sectors who made ERS claims.

The second phase of data was collected in July 2020 as Victoria was entering a second lockdown – and other states were still experiencing severe impacts of COVID-19. In Victoria, many employees were required to work from home for much of 2020, with only children of essential workers allowed to attend ECEC services. Despite this, no significant differences were observed in responses by state. Levels of confidence in the future of the industry and how supported professionals felt by their employer during COVID-19 did not vary according to state. This suggests the issues facing the workforce are consistent for all states.

## **Strongly connected to their employer**

The picture that emerged was of a workforce with strong connections to their employers and belief in the importance of their work. However, significant increases in positive sentiment towards their employers and leaders, resulting in strong Net Promoter Scores in 2020 compared to 2019, did not translate into professionals being advocates for working in the sector. Just over half of respondents felt confident in the future of their industry and there was a large proportion of detractors (43%) for a career in ECEC. These are clear challenges for the sector, both in terms of the long-term retention of talent but also in attracting the necessary new entrants committed to a career in ECEC.

The data also reinforces the importance of the relationship between ECEC professionals and their employers. There was a strong correlation between how appreciated professionals felt by their employers and their intention to stay in the sector. Those who felt appreciated were most likely to intend to stay in the short term.

## **Satisfaction differed depending on role and age**

Some interesting differences emerged when responses were analysed according to professional role. Professionals working in family day care, kindergarten and out of school hours care settings were consistently less positive when compared to those whose work involved administration, management or early childhood education. This group of professionals was also most likely to have experienced decreased income, which could be a factor in their less positive results across the survey. They were least likely to recommend their leader or manager, and just over a quarter (27%) intended to leave the industry in the short term. In contrast, professionals in administration and management roles had higher Net Promoter Scores compared to professionals in direct education and care roles.

The data also showed differences according to respondents' age. Younger workers were much more likely to recommend their employer, with those aged 18 to 29 returning the highest Net Promoter Score (+51) across all age groups. Younger workers were also the most likely to recommend their employers services. Professionals aged between 40-49 were most likely to plan to leave the industry, and those aged 30-39 were least likely to leave the industry.

## **Job intention and turnover**

Discussions with industry representatives also indicated an increase in staff turnover. While the July 2020 data showed an improvement in respondents' intention to stay in their current job and the industry, this was in the depths of economic recession.

It's expected that turnover and the desire to leave the sector are likely to increase as the post-COVID-19 economic recovery continues to gather pace and employment opportunities improve in competing industries outside of education. This trend is concerning in light of the forecasts for the sector's expansion, which will require a large number of additional professionals.

### **Economic benefits of investing in early education**

There is no shortage of research that proves the value of investing in the ECEC sector. The economic returns on investment in high-quality ECEC are estimated to be between 7% and 10% p.a.<sup>19</sup> A recent Australian analysis commissioned by The Front Project found investing in early childhood education doubles the return, as a result of the skills and abilities children develop in early education.<sup>20</sup> There is also ample evidence to show that investing in ECEC is an effective way to close the socio-economic gap. For children from lower socioeconomic households, the relative value of attending high-quality ECEC is particularly strong. But at 0.6% of GDP, Australia's public investment in ECEC is still below the OECD average of 0.8% of GDP.<sup>21</sup>

Other countries are recognising the importance of the sector with major injections of funding. In response to the impacts of COVID-19, the Biden Administration has this year announced a \$USD39 billion funding package to support ECEC providers and provide families with access to affordable early learning services.<sup>22</sup>

### **The push for better funding**

In Australia, dedicated campaigns have contributed to a growing awareness of the need for reform in the ECEC sector, as well as the urgent need to provide universal free childcare. We've been pleased to add our support as part of the Thrive by Five campaign calling for a high-quality, universally accessible early learning system.

HESTA strongly supports calls for free or highly subsidised ECEC. Accessible and affordable high-quality ECEC supports women's workforce participation. This has a critical impact on women's ability to secure higher quality, more stable work, leading to better earnings through their working lives and improved outcomes when

they retire. As more than 80% of HESTA members are women, reform of funding for early childhood education and care will have a positive impact on their retirement outcomes, boosting women's workforce participation and providing more choices for working families.

The significant shift to working from home as a result of the COVID-19 pandemic may have gone some way towards a greater recognition by the community of the essential nature of the work ECEC professionals do. This may also have contributed to an appreciation of how professionals put their own health and wellbeing on the line to continue to provide education and care services, supporting essential workers, such as those in the health sector, who are protecting our community.

We hope recognition of the contribution of the sector during COVID-19 results in a change in perceptions of community appreciation among the workforce in future studies.

### **Appropriately valuing the work of early childhood educators**

Changing perceptions is important. But the hard fact is that those perceptions are also informed by financial signals of how we as a community value early education and the skilled professionals that provide these critical services.

When Australia faced the initial shock of COVID-19, our ECEC sector was there to support the push to protect our community. Investing in ECEC has enormous benefits – for children, for families, for women and for our economic prosperity. However, greater funding for the sector should also include consideration of how to lift low wages and improve conditions for those working in ECEC.

This research is the first HESTA has conducted with members working in ECEC. We continue to work with our longstanding partners across the sector on ways we can help facilitate this very important workforce conversation. We are committed to continue supporting efforts to improve the long-term sustainability of this country's ECEC system. This must include building the skilled and engaged workforce vital for the development of future generations of Australians.

---

<sup>19</sup>. Heckman, James J, *The Economics of Equality: The Value of Early Childhood Education*, American Educator, Spring 2011 <sup>20</sup>. A smart investment for a smarter Australia, The Front Project, 2019 <sup>21</sup>. Education at a Glance: OECD Indicators, Organisation for Economic Co-operation and Development, 2019 <sup>22</sup>. White House Fact Sheet: <https://www.whitehouse.gov/briefing-room/statements-releases/2021/04/15/fact-sheet-biden-harris-administration-announces-american-rescue-plan-funding-to-rescue-the-child-care-industry-so-the-economy-can-recover/>



For more information, please visit [hesta.com.au/ECECreport21](https://hesta.com.au/ECECreport21)