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Budget 2024: These early childhood educators love kids. But love won't pay the bills

By Marg Rogers

This is the second in a series of posts on the 2024 Budget. **Today**: early childhood care and education by the University of New England's Marg Rogers, postdoctoral fellow at the Manna Institute. **Yesterday:** school funding by Curtin University's Matthew P. Sinclair, a lecturer in education policy. **Monday**: higher education by the University of Melbourne's Abigail Payne, director of the Melbourne Institute.

The 2024 Federal Budget has included new and continuing early childhood initiatives to support educators and relieve the workforce crisis. That said, there are no rainbows or new pots of gold in easy reach for educators. Here's what is new, and what remains the same.

New: Paid practicum placements (from July 2024)

Educators are eligible for a payment of $319.50 a week for practicum placements outside of their own workplace. Educators have to do many practicums as they work through certificate, diploma and degree qualifications. In this past this has led to educators taking annual leave from their job to do their placement, or worse, unpaid hours creating 'prac poverty'.

New: Lower indexation rates for HECS-HELP student debts (retrospective adjustment from 2023)

Rather than rely on the rate of inflation to set the indexation amount on student loans, the Government will now rely on lower and more predictable figures. The indexation rate, (similar to interest), will be either the Wage Price Index or the Consumer Price Index, whichever is lower on any given year.

This initiative will bring relief to early childhood educators who are trained, or training to be degree qualified and have a HECS-HELP student loan. Educators are often especially affected as they generally take longer to pay these debts off because:

- they have low wages, so the rate of compulsory repayments is lower;
- as 92% of the workforce are women, they are often taking career breaks to be the primary carers of children and relatives; and
- they often work part time due to their caring responsibilities, meaning there are often years where they pay little to none of the debt.

These debts often fester for years, increasing educators' levels of poverty, and reducing their ability to apply for a home loan. Thus, HECS-HELP schemes are an outdated and very sexist policy designed in the 1980s, largely by men who had little understanding of the impact it would have on women.

Continuation: Wage increases (when the Fair Work Commission completes its processes)

Probably the most disappointing part of the budget for educators is there is no increase in wages until the Fair Work Commission has completed its Annual Wage Review and Gender Pay Equity Research exercise.

While this is important work, it will not help educators in the middle of a cost of living crisis who are leaving their jobs because they can't afford to stay. It is important to note here that degree qualified early childhood educators receive about 20% less than school teachers with the same qualifications.

That said, the Government has committed $30 million over 2024-25 to the processes of paying educators more once the decision is finalised.

Continuation: Incentive System payments (2024-25)

Apprentices, trainees and employees benefit from Phase II of the Incentive System for priority skill areas, such as early education. In the second phase, educators on a traineeship could receive between $3000-5000 as a bonus over the two years. Additionally, sign on incentives payments of $4000-5000 are available for early childhood services to attract staff.

This might help to attract some new educators in a time of high employment. This bonus is especially needed in regional, rural and remote regions, and low-income metropolitan suburbs who live in 'childcare deserts'. This is where three or more families are competing for one space within a service. In some areas, it is 20 or more families, with parents waiting for many years to access early learning for their child.

General initiatives: New supports impacting early childhood educators

As part of the general taxpaying population, educators will benefit from the stage 3 tax reforms. It will improve their take-home pay as they earn less than $146,000. Additionally, because 92% of the workforce in early education are women, some will be eligible for these new measures, depending on their circumstances. These include:

1. domestic violence payment of $5000 for those fleeing an abusive relationship (continuation of a pre-existing scheme);
2. improved funding in crisis and transitional accommodation (new funding); and
3. superannuation added to Commonwealth paid parent leave (from 2025).

The verdict

In some ways, this is a disappointing budget for educators. Their wages have been effectively reduced from low to unsustainable during a time of high inflation and a cost-of-living crisis. This will mean more educators will leave, if they cannot wait for the lengthy Fair Work Commission's processes.

Many have already left. They are enjoying higher wages in other sectors, such as the Aged Care Sector, whose wages were adjusted previously.

This high level of attrition negatively impacts:

1. children (who need secure, caring relationships to support their learning, and access to important developmental screening);
2. parents (especially women, who cannot work when they have no access to early learning);
3. family wellbeing (reduced family income increases household stress);
4. communities (who are losing young families when they cannot access early learning, and who cannot attract workers from other sectors to the area), and
5. the economy (as there are less taxpayers when parents cannot access early education for their children).

Unfortunately, passion for children's education does not pay the bills and provide a sustainable economic wage. We need real reform in early childhood education so our children, parents, families, communities and country thrive.

Dr Marg Rogers is a senior lecturer in early childhood education at UNE and a postdoctoral fellow at the Manna Institute.

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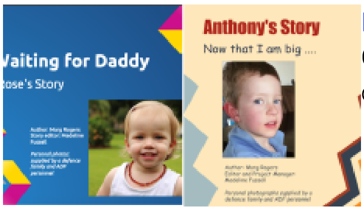

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