



Demographic and Statistical Analysis Unit

**Remuneration in the Early Childhood
Education Teacher-led Workforce
Education and Care Services**

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Source: Early Childhood Education Teacher-led Workforce Survey 2003

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Introduction

The purpose of this paper is to provide information on the remuneration of the staff employed within education and care services. The paper starts with key points and then provides a summary of the salary and wage data. All of the analysis following on from the summaries is carried out on a wages basis. When salary data was supplied this has been converted to a proxy wage using the method detailed in Appendix 2.

Key Points

- Employees move up the wage bands the longer they are employed.
- Qualified employees are paid more than non-qualified. Not surprisingly, registered employees are also paid more than non-registered.
- Employees in Wellington and Auckland are more likely to have higher remuneration than employees in other regions.

Wages in summary

89% (6,632) of those who responded to the remuneration question provided wages data (some provided both wages and salary data). Those providing wages data only are referred to in this section. Note that we do not know if wages include a loading for holiday pay. The data could be a combination of inclusive and exclusive of holiday pay. Therefore we may not be comparing like with like.

Wage rates reported ranged from \$4 - \$32 per hour before tax with an average wage of \$14. One hundred and forty-eight reported that they are not paid.

Most respondents who reported wage data (rather than salary data) were in less senior positions¹. Just over half of respondents (56%) who reported wage data do not hold a benchmark qualification².

Salaries in summary

11% (842) respondents reported an annual salary. Those reporting salary data only are referred to in this section.

Salary rates reported range from \$1,250 - \$75,000 with an average of \$34,000 per annum.

Most respondents who reported an annual salary were in the more senior positions³. The majority of respondents (77%) who reported an annual salary hold a benchmark qualification.

Salary data has been converted to estimated wage rates to enable comprehensive analysis. This conversion is only an estimate due to a range of issues which are described in Appendix 2.

¹ Teacher/Educator, Assistant teacher and Reliever are defined as less senior positions.

² Bachelor of Education (Teaching) (ECE), Diploma of Teaching (ECE), NZQA equivalence, NZFKU Diploma, or an Overseas qualification

³ Principal, Supervisor, Head teacher, Home-based Co-ordinator are defined as more senior positions.

Remuneration and years of service⁴

Wages generally increase as years of service increase.

Table 1: Years in Current Service Type by Wage Band

Wage band	Years in current service type			Total
	0-9	10-19	20+	
Volunteers	77	42	18	137
Less than \$10phr	277	9	7	293
\$10-\$14.99phr	2,992	607	112	3,711
\$15-\$19.99phr	1,336	1,017	292	2,645
\$20+phr	125	209	113	447
Total	4,807	1,884	542	7,233

Chart 1 shows the percentage of employees in wage bands by years in current service type. As can be seen the largest proportion of people earn less than \$15 per hour. Movement in wage rates is evident as the proportions earning less than \$15 per hour fall while the proportion earning more than \$15 increase.

Chart 1: Years in Current Service Type by Percentage of Employees in each Wage Band

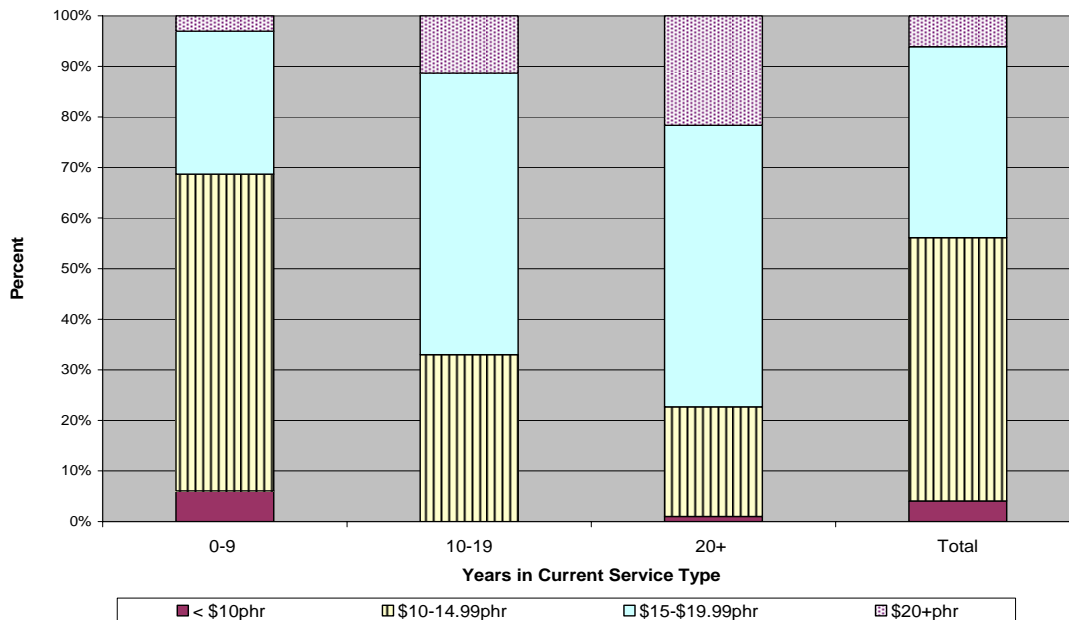


Chart 1 excludes volunteers.

⁴ Years of service refers to number of years employed in current service type. Although respondents were asked how many years they had been employed in the sector this data tended to be less reliable than the years employed in current service type data. Therefore years employed in current service type are used as the standard for length of service in workforce analysis.

Qualified employees are paid more than non-qualified

Remuneration is generally higher if an employee is qualified.

Table 2: Qualification Status by Wage Bands

Wage band	Qualification Status		
	Qualified	Not Qualified	Total
Volunteers	59	89	148
Less than \$10phr	15	312	327
\$10-\$14.99phr	947	2,908	3,855
\$15-\$19.99phr	2,186	500	2,686
\$20+phr	406	52	458
Total	3,613	3,861	7,474

Qualified refers to those with a benchmark qualification.

Chart 2 illustrates that qualified persons are more likely to earn \$15 per hour or more.

Chart 2: Qualified/Not Qualified by Percentage of Employees in each Wage Band

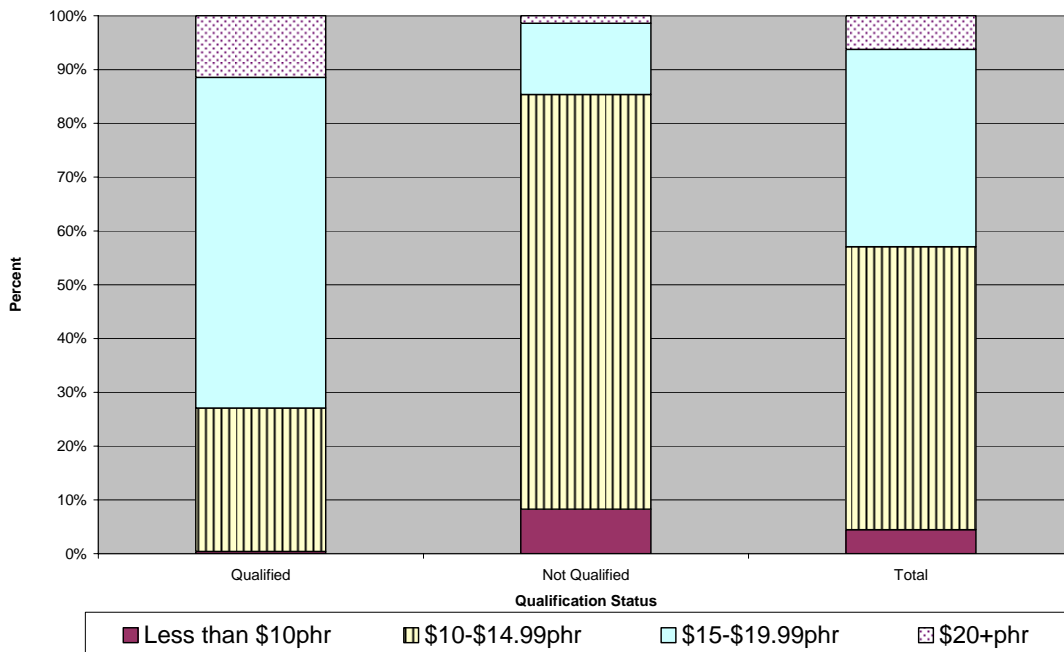


Chart 2 excludes volunteers.

Registration status and remuneration

As qualification and registration are linked it is not surprising to see that those who are registered are generally paid more than those who are not registered.

Table 3: Registration Status by Wage Bands

Wage band	Registration Status		Total
	Fully and provisionally registered	Not registered	
Volunteers	40	105	145
Less than \$10phr	15	312	327
\$10-\$14.99phr	614	3,224	3,838
\$15-\$19.99phr	1,555	1,113	2,668
\$20+phr	334	121	455
Total	2,558	4,875	7,433

Chart 3 shows that fully and provisionally registered teachers are more likely to be earning \$15 an hour or more than non-registered teachers.

Chart 3: Registered/Not Registered by Percentage of Employees in each Wage Band

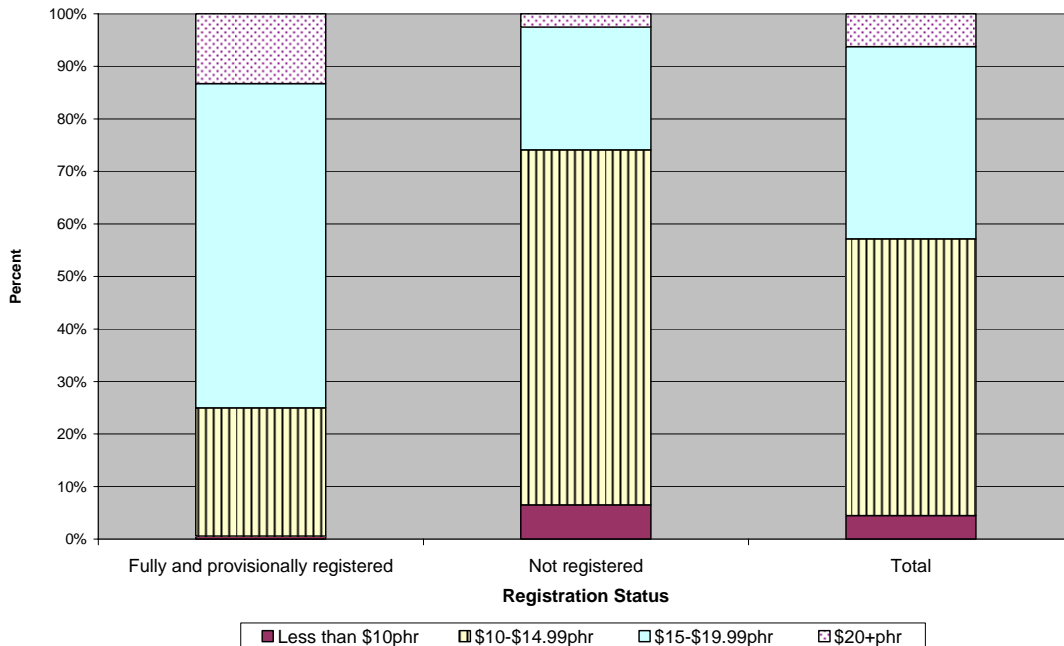


Chart 3 excludes volunteers

Regions and remuneration

Differences in remuneration between regions do not appear large. Some regions have very low response rates so data has been grouped.

Teachers in Auckland and Wellington are more likely to receive higher pay than teachers in other regions.

Table 4: Regions by Wage Bands

Wage band	Region					Total
	Auckland	Wellington	Rest of North Island	Canterbury	Rest of South Island	
Volunteers	54	16	47	23	8	148
Less than \$10phr	84	14	197	24	10	329
\$10-\$14.99phr	1,170	418	1,302	594	374	3,858
\$15-\$19.99phr	975	342	769	356	242	2,684
\$20+phr	198	86	89	56	28	457
Total	2,481	876	2,404	1,053	662	7,476

Chart 4: Regions by Percentage of Employees in each Wage Band

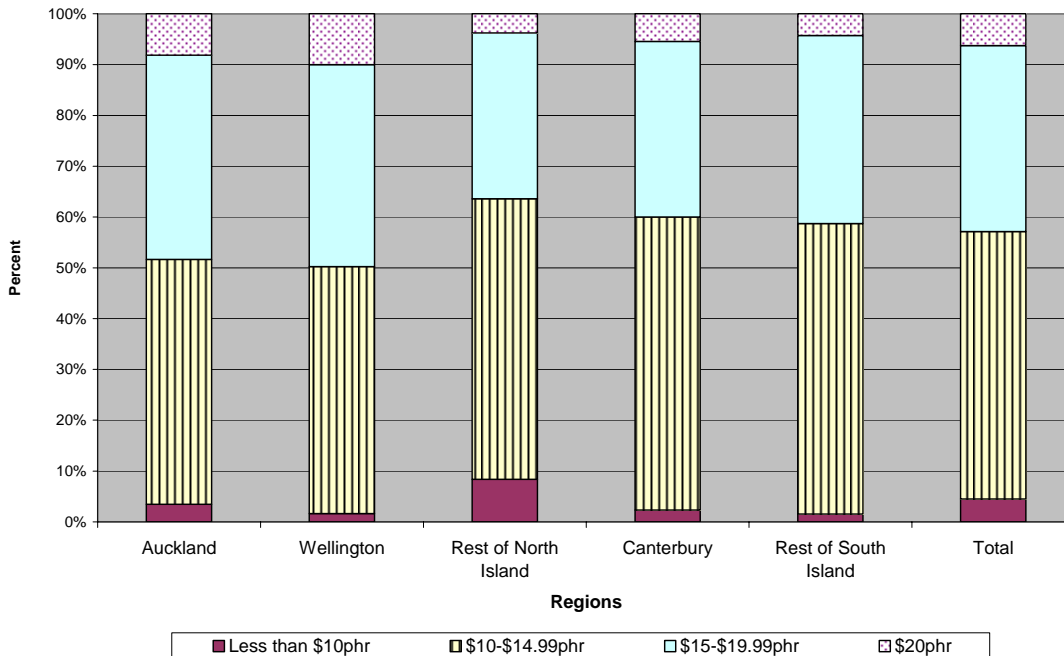


Chart 4 excludes volunteers.

Appendix One: Information and Caveats for the Early Childhood Education Teacher-led Workforce

About the survey

The ECE Teacher-led Workforce survey was carried out in August 2003. 9,725 members of the workforce responded from Education and Care services, Kindergartens, Home-based services⁵ and the Correspondence School. In all, 87% of services engaged in the survey by returning at least one questionnaire⁶.

Remuneration data was only asked of those in Education and Care services and Home-based services. 6,675 respondents in these services provided salary or wage data. So in all, 83% of those who were asked the remuneration question responded to it.

Interpreting the survey results

The ECE Teacher-led Workforce survey data is a sample of all ECE teachers. Therefore an element of error is associated with the results. Overall, due to the large response rate for the survey, the sampling error for the survey is $\pm 1\%$ (95% significance level). However this will vary between questions as the number of teachers responding to particular question varies.

Comparison with the 2003 Annual Return suggests that persons responsible, qualified teachers and teachers in training are over-represented in the survey data. Results that consider persons responsible versus all staff, qualified versus unqualified staff, or information about teachers in training compared to all teachers will need to be interpreted with these biases in mind. In addition not all staff from a service may have completed the survey, therefore results that are reported on a 'per service' will need to be treated with caution.

The analysis in the paper excludes people who did not respond to the questions being analysed. When one question is considered, people who did not answer that question were excluded. When two questions are combined, people who did not answer either question were excluded. Therefore the population of survey respondents will differ between pieces of analysis.

⁵ Only Home-based co-ordinators were surveyed

⁶Source: ECE Teacher-led Workforce Survey 2003: November 2003. Kathleen Murrow, Katrina Fryer & Emanuel Kalafatelis. BRC Marketing & Social Research.

Appendix Two: Remuneration analysis is on a wage basis

As the majority of remuneration data returned was in the form of wages, all remuneration analysis is based on wages. Where a teacher provided only salary data a proxy for hourly wage has been calculated using:

$$\text{wage} = \text{salary} / (52 * \text{weekly hours paid}).$$

This calculation returned extreme values when weekly hours paid were reported as low. Therefore wages of \$50 per hour or greater have been deleted.⁷

The wage calculation above is only an estimate and could be affected by the following factors:

- We do not know how part time workers replied: did part time workers supply the annual salary of which they get the proportion they work, or did they supply the annual salary they get. For example, for a person working a 0.5 full time equivalent position on a \$40,000 salary for the full time job – did they respond with \$40,000 (the full time salary for the job) or \$20,000 (the amount of the salary they get).
- Some salaries are below the minimum wage. This implies that the respondents are part time workers but also suggests that salaries above the minimum wage can be a mixture of full time and part time work. It is also possible that some people supplied their fortnightly salary rather than their annual salary.
- Hours worked per week can be used to give a proxy for full time and part time workers but if people work full time for part of the year we will not be able to detect this. For the purposes of this analysis it is assumed that respondents work for the entire year.

⁷ This cut off was used as wages higher than \$50 per hour were affected by low weekly hours paid. Approximately 10 records were deleted as a result.