

26 November 2025

### **URGENT UPDATE: STAND WITH NSW COMMUNITY PRESCHOOLS**

The IEU wrote to you on [18 August 2025](#) seeking your support for our campaign to secure increased funding for NSW community preschools.

Nearly 1500 teachers, educators and other supporters took part in the IEU Day of Action on 15 October 2025, calling on the NSW Government to: fund community preschools fairly; address the low pay that prevails across the sector; and address the systemic gender undervaluation of this vital work.

We acknowledge and thank those Members of the NSW Parliament, from across the political spectrum, who demonstrated their support by standing with community preschool teachers and educators on the IEU Day of Action. Your attendance signifies an important recognition of the tireless and essential work performed by over 5000 teachers and educators in NSW community preschools.

#### **NSW Government's response**

Only weeks after the IEU Day of Action, the NSW Government released the Start Strong for Community Preschools fee guidelines for 2026. Directors of community preschools have since reported to us that implementing these guidelines will result in reduced funding for many preschools in 2026. This is because the funding guidelines for 2026 have introduced two different rates of fee relief based on equity criteria.

Although the funding for children meeting the equity criteria has been increased for 2026, the 2026 fee relief for non-equity children has been cut by \$891 per child. For some services, the combined impact of these changes means a reduction of tens of thousands of dollars in funding income and will inevitably lead to an increase in parent fees.

#### **Ongoing workforce crisis and viability of community preschools**

Many community preschools are already struggling to recruit and retain staff due to significant pay discrepancies with other education sectors.

This crisis is set to worsen when the Fair Work Commission hands down its decision in the gender undervaluation review of the *Children's Services Award 2010* (AM2024/23).

All parties expect that pay rates for educators will increase to rectify the historic undervaluation, with agreement to increases of at least 15% in 2026. We anticipate this will also mean an adjustment to teachers' salaries to maintain the relativities between the pay of diploma-qualified educators and degree-qualified teachers.

This award increase will directly affect the operation of NSW community preschools.

Financial data from the 103 community preschools that are part of the IEU's supported bargaining application show that, on average, 80% of government funding is directed towards wages.

On 10 November 2025, the IEU met with representatives from the NSW Department of Education and NSW Treasury to raise the urgent need for additional funding in light of the expected increase to base pay rates resulting from the gender undervaluation review. Disappointingly, those representatives did not provide a satisfactory response to the concerns we raised on behalf of our members.

Community preschools rely on government funding as their main income, which means a shortfall in funding must be balanced by a big increase in fees. Without additional funding, preschools will be forced to either dramatically raise parent fees, thereby undermining the NSW Government's commitment to affordable early childhood education, or face the very real prospect of closure. Preschools will need to set fees for 2026 in coming weeks.

### **Calling on your support**

The IEU's supported bargaining application seeking a recommendation from the Fair Work Commission in relation to increased funding for preschools was heard on Monday 24 November 2025. Despite attending the hearing, the NSW Government failed to provide any commitment to increased funding. We are awaiting a recommendation to be issued by the Commission.

We call on all Members of the NSW Parliament to stand up for NSW community preschools. The continued underfunding of community preschools cannot be ignored.

We urge you to publicly support our campaign for increased funding for NSW community preschools. We ask that you raise this issue directly with the Acting Minister for Education and Early Learning and NSW Treasury.

To hear more about our campaign, please visit our website: <https://www.ieu.asn.au/start-strong-pay-fair/>

Yours sincerely



**CAROL MATTHEWS**  
Secretary  
IEUA NSW/ACT Branch