

26 February 2026

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Dear MP

Start Strong Pay Fair for NSW community preschools

Our members would like to meet with you to discuss the urgent need for increased funding to support NSW community preschools in this year's budget. There are over 700 community preschools in NSW with a workforce of approximately 5800 employees which cater to over 50,000 children. Many children come from low socio-economic backgrounds or have diverse learning needs.

Gender-based undervaluation case

In December 2025, the Fair Work Commission awarded pay rises of around 20% phased in over two years to educators, not including tertiary qualified teachers, in early childhood education and care services based on gender undervaluation.

Many long day care employers were already paying above modern award rates because of the federal government subsidies for 15% pay increases, but preschools, being state-funded, are not eligible for this support.

The NSW Government funds pay increases in the award rates as determined in the Annual Wage Review. However, no commitments have been made by NSW Government to fund preschools for increases based on gender undervaluation, which are the **legal minimum rates** in the relevant award.

Fair Work Commission's recommendations

Separately, the Fair Work Commission handed down a recommendation in the IEU's long running supported bargaining application, *Application by the Independent Education Union of Australia and the United Workers' Union*, on 16 February 2026. The application relates to 103 community preschools across the state with capacity to be applied to all other community preschools in NSW.

The recommendation was:

1. *That the NSW Government take all necessary action, including reviewing and increasing funding to NSW preschools to:*
 - a. *give effect to the gender-based undervaluation case with respect to the Children's Services Award; and*
 - b. *ensure that the Proposed Agreement can be made; and*
2. *That the bargaining representatives make the Proposed Agreement subject to the NSW Government agreeing to implement this Recommendation.*

Proposed Agreement

The Proposed Agreement achieved through the supported bargaining process provides for increases of 20% over the life of the Agreement. The increases are necessary to reflect the gender-based undervaluation determination, maintain relativities between university-qualified teachers and educators, and to address the disparity between wages for teachers in community preschools and teacher wages in the school sectors.

Funding and capacity to pay

The NSW Government argued during the supported bargaining proceedings that employers could afford to pay these increases without additional funding. Despite this, the NSW Government conceded that professional recognition and attraction and retention of teachers and educators is relevant to the quality of services.

The employers' bargaining representative, Community Early Learning Australia ('CELA'), explained that the position by the NSW Government misunderstands the reserves necessary to run a stand-alone business and ensure solvency. A witness for CELA gave evidence that under the 2026 Funding Guidelines, although some preschools will receive total funding increases of around 3%, about 35% of services will see a larger cut in funding.

Next steps

The union invites you to meet with us at Parliament House to discuss these issues on the **Tuesday 17 March** or **Wednesday 18 March 2026**. Please contact Helen O'Regan (helen@ieu.asn.au) or Elle Miller (elle@ieu.asn.au) or call our office on (02) 8202 8900 to confirm a convenient time.

Preschools across NSW will be holding a **Wear Pink** Day on Wednesday 18 March to show their support for this campaign.

We will also be holding a Start Strong Pay Fair Day of Action Rally at 10am on Wednesday 6 May at the top of Martin Place, Sydney. Please join us and stand with NSW community preschools.

Yours sincerely



CAROL MATTHEWS
Secretary