



15 April 2026

The clock is ticking – early childhood education worker retention scheme must be extended

In 2024, union advocacy delivered historic federal government support for improved early childhood education and care (ECEC) wages. The IEU is urging the federal government to make a lasting commitment to this achievement by permanently funding fair and sustainable wages in long day care services.

The government's ECEC Worker Retention Payment Scheme was introduced following the first ever sector-wide [multi-employer collective agreement](#) secured through a joint union application by the IEU, AEU and UWU. Initially covering more than 50,000 employees, the agreement delivered long-overdue pay increases supported by the government's retention payment scheme.

However, the [government's financial support](#) for higher ECEC wages expires in November 2026.

Since its commencement in 2024, the multi-employer agreement has expanded to cover 200,000 workers across more than 10,000 providers and has delivered a 15 per cent pay rise.

These improved wage rates cannot be sustained without continued government support. Any reduction in wages would inevitably drive skilled workers out of the sector, worsening an already critical workforce shortage and undermining the quality of early learning for children.

The IEU has raised these concerns directly with the Minister for Education and the [Minister for Early Childhood Education](#).

In response, the government has stated that it is still considering its options regarding the future of the worker retention scheme beyond November 2026.

The clock is ticking – certainty about the retention scheme must be an urgent government priority.

Permanent funding of fair wage increases in long day care services is essential to ensuring workforce stability and safeguarding the future of a high quality ECEC sector.