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## **Federal government funding boost locks in pay rises for long day care staff**

The union representing staff in early childhood education and care in NSW and the ACT welcomes the federal Labor government's doubling of its investment in the long day care sector with a further \$3.6 billion that guarantees pay rises gained over 2024-2025 will stay in place until 2028.

"This is great news for the long day care workforce who deliver high-quality early learning," said Independent Education Union of Australia NSW/ACT Branch Secretary Carol Matthews. "They are no longer facing a pay cut later this year that would have seen many leave the sector."

The Early Childhood Education Worker Retention Payment is delivered through a multi-employer agreement negotiated by the federal government, the IEU, United Workers Union and the Australian Education Union. The payment has expanded to cover about 200,000 staff across more than 10,000 providers throughout Australia.

The initial funding provided for a 15% pay rise – with 10% in December 2024 and another 5% a year later. The funding extension not only guarantees this pay rise remains in place, but also caps fee increases – a relief to parents in a cost-of-living crisis.

"Highly skilled early childhood teachers and educators had been leaving in droves to take up roles in schools and other sectors where the salaries and conditions were better," Matthews said.

The extension of federal government funding will help ease critical workforce shortages in long day care centres across the country.

"For a highly feminised sector, this is also a vital step towards closing the gender pay gap," Matthews said.

"The education and care of our youngest children is important and indispensable work. These long overdue increases better reflect the valuable work of early childhood teachers in laying the vital foundations for our children's development and lifelong learning."

Importantly, the funding also requires providers to meet the National Quality Standard from mid-2027. "Children's safety must be prioritised and not sacrificed for the sake of profit," Matthews said.

The long day care sector provides quality early childhood education and care to hundreds of thousands of children all year round. Under the Modern Award, a beginning teacher in a long day care centre is currently paid \$75,397 a year. The rate with continued funding will be \$86,706. This will increase on 1 July following the Fair Work Commission's annual wage review decision.

"Today's announcement is a vote of confidence in the work that teachers and educators in long day care centres do every day," Matthews said. "Staff, children, parents and the community are all better off because of this funding."

### **Contacts**

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*The IEUA NSW/ACT Branch represents over 32,000 teachers, principals and support staff in Catholic and independent schools, early childhood centres and post-secondary colleges.*

**Authorised by Carol Matthews, IEUA NSW/ACT Branch Secretary**