

ECEC pay rise FAQs

ECEC pay rise and worker retention grant

How much is the increase?

This funding will support a 15% increase on current Award rates, with a 10 per cent increase from December 2024, and a further 5 per cent increase from December 2025.

How can I access the funding?

Providers will need to

1. Limit fee growth to 4.4% from 8 August 2024 – 7 August 2025
2. Engage in a workplace instrument that meets grant conditions
3. Apply for the grant
4. Pass on all funding to eligible workers through increased wages

When does the grant open?

Applications are now open, and grant guidelines are available at the Department website here - <https://www.education.gov.au/early-childhood/workforce/wages>

While grants are now open, there is plenty of time to apply – applications do not close until 30 September 2026, and any provider that applies before 30 June 2025 and meets the eligibility criteria by 2 December 2024 will have their payments backdated.

This backdating means that even if you apply later, you can still receive the funding to pay your staff from 2 December 2024.

Who is eligible?

The payment will cover eligible ECEC workers who:

- work at an eligible CCS-approved Centre Based Day Care or Outside School Hours Care service that opts in to the payment, **and**
- are covered by either the *Children's Services Award 2010*, the *Educational Services (Teachers) Award 2020* or a state-based ECEC award, **or**
- undertake the duties included in the *Children's Services Award 2010 and the Educational Services (Teachers) Award 2020*.

This may include early childhood teachers, educators, cooks, coordinators, room leaders and support workers.

What does this mean for OSHC services?

The funding is available to OSHC services.

We have worked directly with The National Outside School Hours Services Alliance (NOSHSA) who will be providing support to OSHC providers to access this funding -

<https://www.noshsa.org.au/workplaceinstrument>

What if I'm Family Day Care/In Home Care?

The Department has said that they will consult with the Family Day Care and In Home Care sectors to understand how support can be extended to their workforce.

Will it cover on-costs?

The Department has stated that the funding will contribute towards associated on-costs of a wage increase, as long as the funding received is first expended on wages.

The eligible on-costs are:

- superannuation contributions
- employee entitlements
- leave loadings
- workers' compensation insurance
- payroll tax.

How is the payment calculated?

The Department has stated that the amount of funding a service will receive is determined by a funding calculation. This is based on expected labour costs for the charged hours of care provided monthly.

The funding calculation is determined by the Department, and considers –

- the number of children you provide care for
- the individual characteristics of your service
- balances supporting quality ECEC and efficient rostering practices.

What happens after two years?

We understand the government has made this funding commitment as an interim payment while it waits for the outcome of the Fair Work Commission gender undervaluation proceedings and considers its response to the ACCC and Productivity Commission inquiry reports.

We are also excited to see the Government back in their commitment by introducing the *Wage Justice for Early Childhood Education and Care Workers (Special Account) Bill 2024* to legislate the fund for these pay rises.

This is a strong signal that the Government understands these pay rises are critical for the long-term sustainability of a high-quality early childhood system.

What if I pay above the award already?

You are still eligible for this funding, you should pass on a wage increase to workers already paid above award, that is calculated on the award rate.

If you currently pay above award, you need to pay a dollar amount to your staff as an increase, not a percentage amount.

These dollar amounts are stated in Column 5 on the Department website here - <https://www.education.gov.au/early-childhood/workforce/wages/worker-retention-payment-minimum-rates>

Where can I get more information?

For questions regarding the grant funding you can read information from the Department at <https://www.education.gov.au/early-childhood/workforce/wages>

For specific questions regarding your circumstances you can contact the Department through the CCS provider help desk at ccshelpdesk@education.gov.au or via phone on 1300 667 276.

Questions about the workplace instrument

Note – for a detailed pack with all the options for your workplace instrument and the requirements, costs and timeframes for each, please register here – <https://www.surveymonkey.com/r/ECWRS>

Why do I need a workplace instrument?

Workplace instruments are legally binding. They provide assurance that funding is being passed on to workers through increased wages.

You must have an eligible workplace instrument to receive the funding.

What is a workplace instrument?

A workplace instrument sets out terms and conditions of employment, like:

- pay rates
- penalties and loadings
- working hours
- leave entitlements.

Workplace instruments can be negotiated through a bargaining process.

What does the workplace instrument need to include to be eligible for the funding?

To be eligible for the worker retention payment, a workplace instrument must:

- include an obligation to pay workers at or above the minimum rates in the grant guidelines and in accordance with section 4.3 of the grant guidelines
- apply for the full 2 years of the payment.

What are some eligible workplace instruments?

Some examples of workplace instruments that you could use to meet the grant conditions include:

- A workplace agreement approved by the Fair Work Commission which may be
 - A multi-employer workplace agreement

- A single employer enterprise agreement
- Individual Flexibility Arrangements (IFA) for all eligible staff

These instruments need to be made in accordance with the Fair Work Act and meet the conditions set in the grant guidelines.

Can I use the Children's Services Award as my instrument?

No. Currently, the Children's Services Award is not considered an eligible workplace instrument because it doesn't include wages that are aligned with the grant guidelines.

The pay rates that the grant funds are 10%, and then an additional 5% above the award. The award does not include these pay rates.

Do I need a workplace instrument if I'm an OSHC provider?

Yes, everyone who applies for the funding will need an eligible workplace instrument.

For OSHC the options currently are –

- A single employer enterprise agreement
- Individual Flexibility Arrangements (IFA) for all eligible staff

Note, no current multi-employer agreements are in place but may be made by application.

How can I make a workplace instrument?

Providers can make their own workplace instruments, or they can seek support from CCC and CELA's new early childhood workplace relations service.

We will be offering support to help providers –

- Join onto the National Long Day Care Multi-Employer Agreement
- Join onto the renewed Professional Community Standard. This is an existing community based multi-employer agreement that offers above award wages and conditions.
- Support and information on how to make or vary an enterprise agreement; or
- IFA templates and information.

All of these options will fulfill the condition needed for a workplace instrument to be eligible to receive the grant funding.

If you haven't already, fill in our short survey to receive an options pack with further information - <https://www.surveymonkey.com/r/ECWRS>

What is the National Long Day Care Multi-Employer Agreement and the Professional Community Standard?

The National Long Day Care Multi- Employer Agreement is a new workplace agreement for employers and employees in the long day care sector. It has been negotiated with representatives across the sector including CCC and CELA representing community managed and small providers, and others representing private providers and large providers.

It provides a simple and straight forward way for long day care providers to comply with the requirement to have a workplace instrument to deliver funded ECEC wage increases.

The Professional Childcare Standard (PCS) is an existing multi-employer agreement for community managed long day care services. Originally made in Victoria, any long day care service is eligible to join this agreement.

The PCS has supported community managed services to offer improved pay and conditions since 2008. This Agreement will be renegotiated to ensure it complies with the conditions of funding required for the Worker Retention Grant. This process is already underway, and will likely be concluded prior to the end of 2024.

If we have an existing enterprise agreement can we use that?

If you have an existing agreement, whether it's expired or not – it's only eligible to be used if it contains the current pay schedule. This means it must pay **at least** the rates included here – <https://www.education.gov.au/early-childhood/workforce/wages/worker-retention-payment-minimum-rates>. To remain eligible the instrument must maintain rates that are in compliance with the minimum prescribed rates throughout the funding period.

What should I consider when choosing a workplace instrument?

When considering which workplace instrument is the best option for your service/s it's important to think about:

- The type of service you provide
- The numbers of eligible staff
- The predominant form of employment of your staff (permanent/ casual)
- Whether you currently have an existing workplace agreement and your current level of wages and conditions
- The operational complexity of making the workplace instrument and any ongoing compliance requirements;
- Any costs associated with making and maintain the workplace instrument.

Disclaimer

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