



Australian Government  
Department of Education



# Worker retention payment

10 October 2024



# Acknowledgement of Country

We acknowledge the Traditional Owners and Custodians of the land on which we meet today and pay our respects to their Elders past and present. We extend that respect to Aboriginal and Torres Strait Islander peoples joining us today.



# Agenda

- \* Overview
- \* Eligibility
- \* Conditions
- \* How to apply
- \* Questions



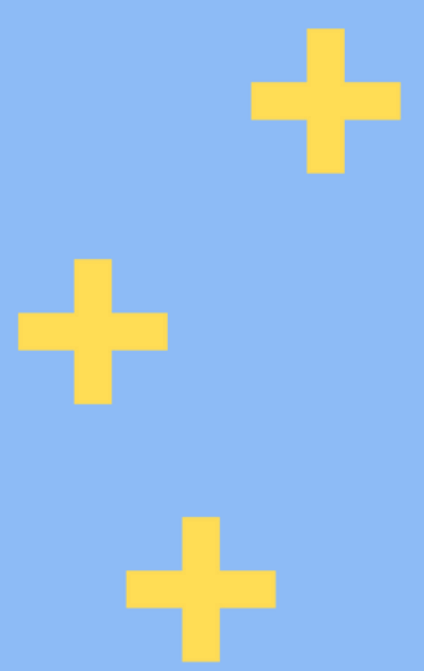
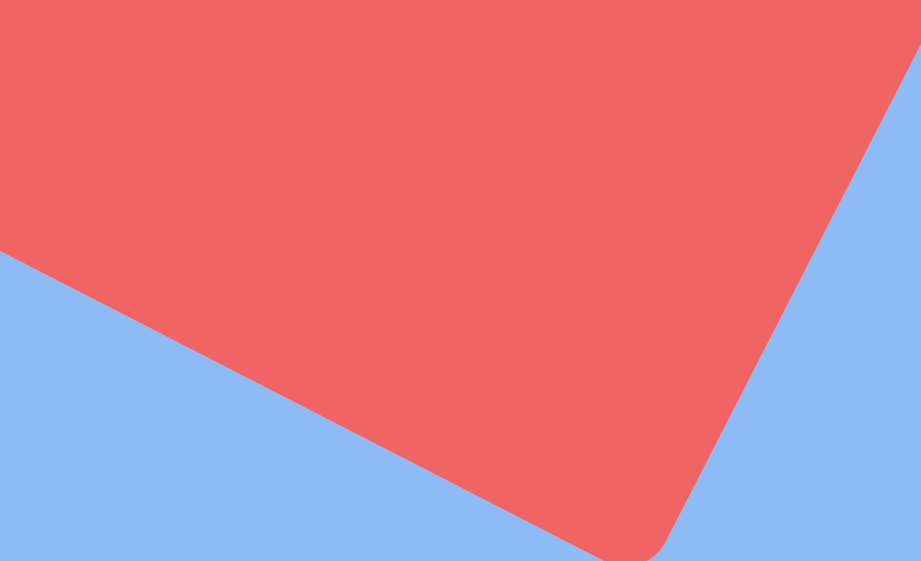
# Presenters



- **Kylie Crane**, Deputy Secretary, Early Childhood and Youth, Department of Education
- **Julia Chandra**, Assistant Secretary, Workforce, Department of Education
- **Kate Costello**, Acting Assistant Secretary, Wage Implementation, Department of Education
- **Joel Livingston**, Acting Assistant Secretary, Early Childhood Reform Branch, Department of Education
- **Oscar Vancea-Harrison**, Acting Director, Workforce Branch, Department of Education
- **Elise Bills**, Acting Director, Workforce Branch, Department of Education
- **Monica Sapra**, Director, Wage Implementation, Department of Education
- **Sarah Godden**, First Assistant Secretary, Workplace Relations Legal, Department of Employment and Workplace Relations
- **Nate Burke**, Acting Assistant Secretary, Bargaining and Industry Policy, Department of Employment and Workplace Relations







# Overview



# Worker retention payment

- The payment will support a 15% wage increase over 2 years:
  - 10% on top of the current national award rates in the first year
  - an additional 5% in the second year.
- Providers opt-in by applying for the payment and meeting conditions.
- Payments will be issued through a grant via the Child Care Subsidy System.
- Payments will be made from January 2025 to December 2026 covering the period from 2 December 2024 until 30 November 2026.

# Funding

- Funding amount is determined by a calculation based on the expected labour costs for the charged hours of care provided on a monthly basis.
- Labour costs are inclusive of salary-based allowances.
- The formula has variations to account for differences in costs between different service types.
- Providers may seek a review of their funding level where they can show, with evidence, they are not receiving adequate funding. In these circumstances, providers need to contact [ccshelpdesk@education.gov.au](mailto:ccshelpdesk@education.gov.au).
- Further information and examples on funding will be made available shortly.



# Eligibility





# Providers must:

- be approved for Child Care Subsidy
- operate Centre Based Day Care or Outside School Hours Care services
- engage workers through a workplace instrument that meets grant conditions
- meet the grant conditions and reporting requirements.

# For ECEC workers who:

- work at an eligible service that opts in, **and**
- are covered by the *Children's Services Award 2010* or *Educational Services (Teachers) Award 2020*, **or**
- primarily undertake the duties covered in these awards but are covered by a different award or instrument.
- This includes teachers, educators, cooks, coordinators, room leaders and support workers.



# Conditions

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# Limiting fee growth

- Providers cannot increase service fees annually by more than a set percentage for 2 years.
- Between 8 August 2024 and 7 August 2025, the fee growth cap is 4.4%.
- From 8 August 2025, the fee growth cap percentage will be determined by a new ECEC cost index to be developed by the Australian Bureau of Statistics.



# Workplace instruments

- A workplace instrument sets out terms and conditions of employment.
- Workplace instruments are legally binding.
- The workplace instrument must provide wage rates that align with the wage rates in the grant guidelines.
- There are no exemptions for this requirement.

# Passing funding onto workers

- Providers must use the payment on increased wages.
- Funding can be used for eligible on-costs once eligible workers have been paid the minimum rates.
- Eligible on-costs include:
  - superannuation contributions
  - employee entitlements
  - leave loading
  - workers' compensation insurance
  - payroll tax.



# How to apply



# Applications are open

- Application form available through the Department of Education website.
- Applicants must provide accurate identifying details such as Centrelink Customer Reference Numbers (CRNs).
- A Person with Management or Control (PMC) of the provider must apply.
- Applicants will be able to apply for:
  - payment in relation to historical leave liabilities, and
  - in exceptional circumstances, an alternative fee growth percentage cap.
- Applications assessed against eligibility criteria and conditions outlined in Grant Opportunity Guidelines.



# What happens if you are found eligible

- Approved applicants enter into a grant agreement with the Commonwealth.
- Payments made monthly through the same system as CCS is paid – but can be identified in Provider Entry Portal separately to CCS.
- Payments can be backdated to 2 December 2024 for providers that:
  - apply by 30 June 2025
  - meet the eligibility criteria from 2 December 2024.
- Grant recipients will need to meet obligations in the grant agreement, including fee constraint condition and reporting requirements.
- Reporting obligations are in addition to CCS reporting requirements.



**Questions?**



# More information



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[www.education.gov.au/early-childhood/workforce/wages](http://www.education.gov.au/early-childhood/workforce/wages)



**Thank you**

