



ECEC Worker Retention Payment

The Australian Government is investing \$3.6 billion for the Early Childhood Education and Care (ECEC) Worker Retention Payment to support a 15 per cent wage increase for ECEC workers over two years from December 2024.

How will this initiative work?

The ECEC Worker Retention Payment will be paid as a grant to eligible Centre-Based Day Care and Outside School Hours Care providers who opt-in.

Funding is conditional on providers limiting fee growth to no more than 4.4 per cent from 8 August 2024 and 4.2 per cent from 8 August 2025, engaging eligible ECEC workers through a workplace instrument that meets grant conditions, and passing funding to eligible ECEC workers through increased wages.

Why is this important?

The ECEC Worker Retention Payment will help retain the existing ECEC workforce, who are predominantly women, and help to attract new workers.

Together with the Government's successful Cheaper Child Care changes, and the \$1 billion investment in the Building Early Education Fund, this wage increase will help support the availability of ECEC for families and is an important step in charting the course to a truly universal early education system.

Who will benefit?

Up to 200,000 early childhood educators and teachers are expected to benefit from the ECEC Worker Retention Payment.

A typical ECEC educator who is paid at the award rate will receive a pay rise of at least \$103 per week from December 2024, increasing to at least \$155 per week from December 2025.

A typical early childhood teacher will receive an additional \$166 a week from December 2024, increasing to \$249 from December 2025.

Families will also benefit from the investment, as the wage increase is tied to a commitment from services to limit fee increases. This to make sure workers can be fairly paid without the costs being passed on to families.

How much will it cost?

The ECEC Worker Retention Payment will cost \$3.6 billion over three years from 2024-25.