



MEDIA RELEASE

Affordable preschool at risk after community preschools hit with 15% unfunded wages increase in 6 months

2 June 2026

NSW community preschools are struggling to keep parent fees under control after being hit with a 15% increase to wages costs in just 6 months. Out of pocket costs for families are set to skyrocket unless the NSW Government urgently increases funding to keep community preschool affordable.

Today's significant increase in the minimum wage of 4.75% is on top of a 10% wage increase ordered by the Fair Work Commission earlier this year because of the Gender Undervaluation review. Not for profit Community preschools are now scrambling to manage these increases all of which must be paid by 1 July.

Without additional funding, over 500 community preschools (run by volunteer parent committees) will be forced to significantly increase out of pocket fees to ensure their educators and teachers are paid fairly.

Community preschools are overwhelmingly reliant on government funding to maintain low fees for families. Without an urgent adjustment to Start Strong Funding the Minn's Government risks backtracking on their commitment to deliver affordable preschool for NSW families.

NSW community preschools have been struggling to retain staff who are leaving jobs they love for higher paid roles in public schools, state run preschools and long day care, where they are paid as much as 25% more.

Community preschools and early education Unions have negotiated for over a year with the NSW Government to address these significant pay equity issues. To date, the NSW Government has not agreed to solve this funding gap for community preschools, even following the decision of the independent workplace umpire.

Community preschools are asking the NSW Premier to keep their promise to families to keep preschool affordable and fund professional wages.

Quotes attributable to Community Early Learning Australia CEO Michele Carnegie:

"Without additional funding, the NSW Government has put these preschools in an impossible position – increase fees for families or watch their dedicated staff leave for higher paying jobs.

"The NSW Government's commitment to deliver universal preschool is under threat if they turn their back on affordable preschool for the tens of thousands of families who access community run services."

Quotes attributable to Britt Mitchell – Parent Engadine Preschool Kindergarten

“Our service is trying to deliver quality and get the best for kids. How can we do that when our staff are leaving for higher paid jobs in long day care and government schools. Our staff want to stay, but they can’t afford to.

It is so hard to get the staff we need without offering wages that compete with other services, but where do we pull the money from? We either increase fees or it’s coming out of our quality program and resources.

Parents in our area are up in arms. Some are seeing their fees double. The cost of everything just keeps going up and we just can’t keep up. This is a huge blow, I don’t see why the NSW government doesn’t back families and children in community preschools, and fund the gap in wages.”

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Media contact: Laura Stevens – 0431 380 471

Interview opportunities – Sydney & online

- CELA’s CEO Michele Carnegie.
- Interviews with community preschool directors and parent committees are available on request.

Background

NSW Community preschools are 100% not for profit and run by volunteer parent committees and are overwhelmingly reliant on government funding to operate. Around 80% of their funding is provided by the NSW Government through the Start Strong program. Services are required to acquit all spending under this program.

CELA supports over 1,800 members employing more than 27,000 educators and teachers nationally including community-managed not-for-profit, government and privately owned small providers delivering preschool, long day care, outside school hours care, and family day care services.

CELA negotiated the first national supported bargaining agreement on behalf of not-for-profit early education and care providers. This process was the catalyst for the Federal Government’s \$3.6 billion commitment to fund a 15% increase in early childhood wages. NSW preschools are not eligible for this federal funding.

CELA and the Independent Education Union NSW and United Workers Union are currently participating in supported bargaining application with the NSW Government on behalf of 104 NSW community preschools.

There around over 500 Community preschools in NSW providing high quality preschool programs to over 35,000 children.