CELA COMMUNITY EARLY LEARNING AUSTRALIA

It takes a village
Peak for early learning and OSHC

Gender-based undervaluation decision

Variations to the Children's Services Award 2010

By Employer Assist by Industry Legal Group for Community Early Learning Australia

On 10 December 2025, the Fair Work Commission's Expert Panel handed down its final decision in the review of the Children's Services Award 2010 (**CS Award**) as part of the gender-based undervaluation priority review.

The changes commence 1 March 2026 and will be phased in over a period extending to 30 June 2029.

Background

In April 2025, the Commission found that the classifications and rates of pay in the CS Award did not adequately reflect the value of work performed by Children's Services Employees (**CSEs**), and that this was the result of historical gender-based undervaluation.[1]

Following consultation and submissions from stakeholders, including Community Early Learning Australia (**CELA**) and It Takes a Village, the Commission issued its Final decision in December with changes to the Award commencing from 1 March 2026.

[1] Gender-based undervaluation – priority awards review [2025] FWCFB 74 (April Decision).

Summary of changes

Change	Details
New simplified Classification Structure	The previous 30-level structure will be replaced with a simplified eight-level classification system, aligned to qualifications, experience and role responsibilities
New Minimum wage rates	• Rates have been adjusted to align with the Caring Skills Benchmark. • Total increases range from 9.4% - 27.8% • New minimum rates are in addition to annual wage reviews. • New rates are phased in on the following dates and as set out in the below staged percentage increases table: ○ 1 March 2026 ○ 30 June 2026 ○ 30 June 2027 ○ 30 June 2028 ○ 30 June 2029
Preserved wage rates	Wage rates for existing classifications that are higher than the new Gender Undervaluation rates are preserved until the Gender Undervaluation rate is higher.
Salary based allowances	The standard rate has been adjusted to maintain the dollar value of salary based allowances as per the current Award
Qualifications Allowance (GCM)	Has been removed and no longer applies
Cooks	Cooks holding or working towards an Early Childhood Qualification must be paid the CSE minimum rate corresponding to their ECEC qualification.

Who is not impacted by these changes:

The Gender Undervaluation Decision applies to staff covered by the Children's Services Award, and who work in roles which directly involved the care and education of children.

It does **not** impact:

- Support workers employed under the Children's Services Award (administration, cleaners etc)
- Teachers covered by the Educational Services Teachers Award 2020
- Staff covered by other awards related to the ECEC sector including Educational Services (General) Award, and Local Government Award.

New Simplified Classification Structure

The previous 30-level structure will be replaced with a simplified eight-level classification system, aligned to qualifications, experience and role responsibilities. This change is designed to better align the Award with contemporary sector practice and resolve issues of ambiguity:

Previous Classification	New Classification	Level Descriptors
Level 1.1 - On commencement	Level 1—Introductory Educator	An employee whose primary role is to work directly with children and who has less than 12 months' experience as a CSE.
Level 2.1 - On commencement	Level 2—Educator	An employee whose primary role is to work directly with children and who has at least 12 months' experience as a CSE.
Level 2.2 - After 1 year		
Level 3A.1 - On commencement (Former Western Australian 'E' worker classification)		
Level 3A.2 - After 1 year (Former Western Australian 'E' worker classification)		
Level 3.1 - On commencement	Level 3—Qualified Educator	An employee whose primary role is to work directly with children and who has obtained an approved Certificate III-level early childhood education and care qualification.
Level 3.2 - After 1 year		
Level 3.3 (< 4 yrs' exp. at L3) - After 2 years		
Level 3.3 (4+ yrs' exp. at L3) - After 2 years	Level 4—Experienced Educator	An employee whose primary role is to work directly with children, who has obtained an approved Certificate III-level

Previous Classification	New Classification	Level Descriptors
		early childhood education and care qualification and who has obtained four years' post-qualification industry experience at CSE Level 3—Qualified Educator.
Level 3.4	Level 5—Advanced Educator	An employee whose primary role is to work directly with children and who has completed a Diploma-level early childhood education and care qualification or an equivalent approved qualification for out-of-school hours care.
Level 4A.1 - On commencement	Level 6—Room Leader	An employee who has been appointed: • as a Room Leader; or • in out-of-school hours care, to assist a Level 7 or a Level 8 employee.
Level 4A.2 - After 1 year		
Level 4A.3 - After 2 years		
Level 4A.4 - After 3 years		
Level 4A.5 - After 4 years		
Level 4.1 - On commencement		
Level 4.2 - After 1 year		
Level 4.3 - After 2 years		
Level 5A.1 - On commencement	Level 7—Assistant Director	An employee who is appointed as: • the Assistant Director of a service; • Children's Services Coordinator; • Family Day Care Co-ordinator; • Family Day Care Trainee Supervisor; • Children's Services Coordinator; or • School Age Care Co-ordinator and who has completed an AQF Level 5 or Level 6 qualification in early childhood education and care or equivalent, or is deemed by the employer or relevant
Level 5A.2 - After 1 year		
Level 5A.3 - After 2 years		
Level 5.1 - On commencement		
Level 5.2 - After 1 year		
Level 5.3 - After 2 years		
Level 5.4 - An Assistant Director who holds an Advanced Diploma (AQF 6/3 year qualified) must be paid no less than Level 5.4		

Previous Classification	New Classification	Level Descriptors
		legislation to hold such qualification or possess such experience as appropriate or required for the position.
Level 6A.1 - On commencement	Level 8—Director	An employee who is appointed: • as the Director of a Service; or • in an out-of-school hours or vacation care service, to be responsible for the overall strategic, financial, compliance and operational management of a service and who has completed a relevant degree or other qualification, or is deemed by the employer or relevant legislation to hold such qualification or possess such experience as appropriate or required for the position.
Level 6A.2 - After 1 year		
Level 6A.3 - After 2 years		
Level 6.1 - On commencement		
Level 6.2 - After 1 year		
Level 6.3 - After 2 years		
Level 6.4 - On commencement		
Level 6.5 - After 1 year		
Level 6.6 - After 2 years		
Level 6.7 - On commencement		
Level 6.8 - After 1 year		
Level 6.9 - After 2 years		

From 1 March 2026, CSEs under the CS Award must be transitioned to the new classification levels. A translation table in Schedule I of the amended CS Award (and this article) provides detailed guidance.

Importantly, clause I.4 of the new Schedule operates to preserve existing higher rates of pay where they exceed the new minimum rates. In addition, clause I.3 of the new Schedule provides that, for employees translating from level 4A, the initial staged increase is calculated by reference to the existing level 4A rate, rather than the level 4.1 rate, before subsequent phased increases apply.

The revised classification definitions have been refined to ensure accurate application in out-of-school-hours care (**OSHC**) settings. Leadership roles in OSHC that involve equivalent responsibilities to a service Director, but do not carry the title "Director," are now expressly recognised under Level 8.

In addition, the descriptor for Room Leader (Level 6) will be amended to clarify that, in OSHC contexts, employees at this level may assist Level 7 (Assistant Director) or Level 8 (Director) roles when required.

New Minimum Wage Rates

Minimum wage increases range from 9.4% to 27.8% over the transition period, when measured against the relevant previous classification reference points. These percentages reflect the work value adjustments only and are exclusive of any increases arising from Annual Wage Reviews, which will continue to apply during the phasing period. The first increase of 5% on the relevant reference point applies from the first full pay period on or after 1 March 2026.

Importantly, this does not mean that employers must automatically increase every employee's pay by 5%. The Award sets minimum rates, not prescribed pay increases. An employer is only required to increase an employee's pay where the rate currently being paid is below the new minimum rate for the employee's classification. Where an employee is already paid at or above the new minimum rate, no adjustment is required at that time. This includes employees who are receiving the Worker Retention Payment.

The new classification levels and associated minimum weekly rates (effective from 1 March 2026) are as follows:

Level	Title	Previous CSE Classification	New Weekly Rate (from 1 March 2026)	New Weekly Rate (from 30 June 2026)
Level 1	Introductory Educator	Level 1.1	$995.40	$1,045.20
Level 2	Educator	Level 2.1	$1,025.90 (Pending: L3A.1: $1,052.00; L3A.2: $1,068.40)	$1,077.20
Level 3	Qualified Educator	Level 3.1	$1,121.80 (L3.3 < 4 yrs exp: $1,140.10)[2]	$1,177.90
Level 4	Experienced Educator	Level 3.3 (4+ years of experience at L3)	$1,197.10	$1,257.00
Level 5	Advanced Educator	Level 3.4	$1,263.30	$1,326.50
Level 6	Room Leader	Level 4.1	$1,321.50 (L4A: $1,197.10)[3] (pending (L4A.1-4: $1,197.10; L4.5: $1,204.00)	$1,387.60 (L4A: $1,257.00)
Level 7	Assistant Director	Level 5.1	$1,381.90	$1,451.00
Level 8	Director	Level 6.1	$1,593.50	$1,673.20

[2] The minimum rate of pay for CSEs on level 3.3 as at 28 February 2026 will be retained to the extent it is higher than the increased rate.

[3] A separate phasing in arrangement applies to CSEs on level 4A as at 28 February 2026. The reference point for the increases will be level 4A.1 instead of 4.1.

Level	Title	Previous CSE Classification	New Weekly Rate (from 1 March 2026)	New Weekly Rate (from 30 June 2026)
			(For previous level: 6.4 - $1,613.50; 6.5 - $1,628.30; 6.6 - $1,647.70; 6.7 - $1,667.40; 6.8 - $1,686.40; 6.9 - $1,705.50)[4]	6.8 - $1,686.40 6.9 - $1,705.50

(Rates from Determination [PR794818], effective 1 March 2026).

Consequential Changes to the CS Award

Standard Rate and Allowances

The definition for the "standard rate" will be updated to the weekly rate for a CSE level 3. The allowances expressed as a percentage of the standard rate will also be varied to ensure the dollar value of each allowance remains consistent with the existing CS Award.

Qualification Allowance

The qualification allowance for Directors and Assistant Directors (clause 15.6) will be removed, as the new classification rates incorporate work value for these roles.

Cooks

A cook must be paid under the CSE minimum rates where the cook is required to hold, or is actively working towards, an approved early childhood education and care (**ECEC**) qualification and may be required at any time to work directly with children to maintain educator-to-child ratios. Where those criteria are met, the cook must be paid the CSE minimum rate corresponding to their ECEC qualification, as set out below. Cooks who do not meet these criteria remain covered by the Support Worker classification and are paid the Support Worker minimum rates.

[4] The minimum rate of pay for CSEs on levels 6.4 to 6.9 as at 28 February 2026 will be retained to the extent it is higher than the increased rate.

ECEC Qualification	CSE Classification
Actively working towards qualification with less than 12 months' experience	Level 1 – Introductory Educator
Actively working towards qualification with more than 12 months' experience	Level 2 – Educator
Certificate III	Level 3 – Qualified Educator
Certificate IV	Level 4 – Experienced Educator
Diploma	Level 5 – Advanced Educator

Operative Dates and Staged Increases

The variations to the CS Award will take effect from 1 March 2026. Wage increases will be implemented in stages as follows:

- A 5% increase (on the reference point level) applies from the first full pay period on or after 1 March 2026, subject to any retained higher rates under Schedule I of the Award;
- Subsequent increases will apply annually on 30 June, concluding by 2029; and
- Phasing differs by level:
  - Levels 1 to 3, 4A and 8: staged increases through 2029.
  - Levels 4 to 7: staged increases through 2028.

Staged percentage increases:

New Level	Reference Point	1 March 2026	30 June 2026	30 June 2027	30 June 2028	30 June 2029	Total Increase
1	1.1	5%	5%	5%	5%	2.65%	24.8%
2	2.1	5%	5%	5%	5%	5.12%	27.8%
3	3.1	5%	5%	5%	5%	1.20%	23.0%
4	3.3	5%	5%	5%	3.55%	0%	19.9%
5	3.4	5%	5%	5%	1.91%	0%	18.0%
6	4A	5%	5%	5%	6%	5.14%	29.0%
	4.1	5%	5%	5%	1.03%	0%	16.30%
7	5.1	5%	5%	5%	5.07%	0%	21.6%
8	6.1	5%	5%	5%	5%	1.17%	23.0%

Interaction with Worker Retention Package

Services who are receiving the WRP do not need to make any adjustment to their current rates of pay in the first instance.

The WRP Guidelines state:

> "The ECEC Worker Retention Payment will absorb any increases to the Children's Services Award 2010 resulting from the gender undervaluation proceedings determined by the Fair Work Commission. This means that the above award requirement (under Section 4.3), will be reduced by the quantum of any changes to the Children's Services Award 2010 determined through this process."

It appears likely that the current Worker Retention Payment rates will remain above the minimum Award rates until 2027.

Services must continue to apply the dollar values of the Worker Retention Payment to the levels of the previous classification structure.

Eg:

Current classification level	new classification level	1 December WRP dollar amount	1 December WRP minimum hourly rate
3.1	CSE Level 3	$1.41	$32.34
3.2		$1.45	$33.45
3.3		$1.50	$34.50

The Commonwealth Government has expressed that it will take the Gender Undervaluation Decision into account when considering funding for wage costs beyond the current grant period of November 2026.

CELA and ITAV's Workplace Relations Team will continue to monitor Commonwealth announcements regarding WRP funding and provide members with updates, resources and guidance as further information becomes available.

Interaction with Enterprise Agreements

The CS Award changes do not amend enterprise agreements. This means there is no change to the classification structure or wage rates because of the Gender Undervaluation Decision.

However, under section 206 of the FW Act, employees covered by an enterprise agreement must not be paid less than the applicable Award minimum rate. As Award

minimum rates increase, they operate as a statutory floor for enterprise agreement covered employees.

If, at any point during the phased increases, an agreement base rate falls below the relevant Award rate, the agreement automatically operates as if the Award rate applied. Employers with enterprise agreements should therefore monitor Award increases over the transition period to ensure continued compliance.

Many members accessing the WRP are covered by enterprise agreements that include specific WRP provisions. The principal agreements are the Early Childhood Education and Care Multi-Employer Agreement 2024–2026 and, for Victorian community-based services, the Professional Community Standard 2025.

These agreements allow Award wage increases arising from the gender undervaluation review to be absorbed into the WRP component, up to the value of the WRP.

Although the Award variations do not directly change these agreements, Award minimum rates continue to apply as a floor. Employers covered by these agreements should ensure that agreement rates remain at or above the relevant Award rates over time.

Interaction with Individual Flexibility Agreements

The December Decision does not invalidate existing Individual Flexibility Arrangements (IFA) made under clause 7 of the CS Award. However, IFAs must continue to satisfy the statutory requirements that employees are better off overall and that base rates of pay are not less than the applicable Award minimum rates.

Where an IFA provides for the payment of a retention allowance linked to WRP funding, the Award work value increases operate as a minimum safety net. If the varied Award minimum rate for an employee's new classification exceeds the rate payable under the IFA at any point, the employee must be paid at least the Award minimum rate. This position is expressly reflected in current ECEC WRP IFAs. As such there is no need to adjust existing IFAs as a result of the Gender Undervaluation Decisions.

Employers should therefore monitor existing IFAs alongside the new classification structure and minimum rates to ensure ongoing compliance as the Award increases are phased in.

Next Steps

The Commission's decision varies the CS Award and applies directly to employers who pay in accordance with the Award. Employers covered by an enterprise agreement or IFA are not required to vary their agreement but must ensure that employees are not paid less than the applicable Award minimum rates as they increase over time.

Award-only employers:

- determine the correct new classification for each CSE by applying the translation arrangements in Schedule I of the Award;

- compare current rates of pay against the varied Award minimum rates as they apply from 1 March 2026 and across the transition period;
- adjust pay only where the rate currently paid is below the applicable Award minimum; and
- notify employees of their translated classification and any resulting change to their rate of pay.

Employers covered by an enterprise agreement or IFA:

- review agreement rates against the increased Award minimum rates as they apply from 1 March 2026 and during the phasing period;
- ensure that base rates of pay remain at or above the relevant Award minimum rates; and
- be aware that where an agreement rate falls below the applicable Award rate at any point, the employee must be paid at least the Award minimum rate, which applies automatically until the agreement rate again exceeds the Award rate.

All employers:

- map employees to the new classifications;
- update payroll and HR systems to accommodate the new classification structure and staged increases;
- communicate clearly with employees about classification outcomes and pay implications;
- undertake forward financial planning for later stages of the Award increases, including potential changes to WRP funding; and
- keep clear and contemporaneous records of classification and pay decisions.

Further advice and resources

- Members are encouraged to contact the Workplace Relations Team on 1300 346 818, adminWRT@cela.org.au or adminWRS@itav.org.au
- Fair Work Commission's Decision.

This article is intended for information purposes only and should not be regarded as legal advice. Please contact Employer Assist for advice.

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