



23 October 2026

Minister for Education, **The Hon Jason Clare MP**

Minister for Early Childhood Education, **Senator the Hon Dr Jess Walsh**

VIC Minister for Children, **The Hon Lizzie Blandthorn MLC**

NSW Deputy Premier and Minister for Education and Early Learning, **The Hon Prue Car MP**

VIC Shadow Minister for Education, **Brad Rowswell MP**

NSW Shadow Minister for Early Education, **Felicity Wilson MP**

Via email

Dear Ministers,

Re: OSHC fee increases threaten access to care for families

We write to the Commonwealth, Victorian, and New South Wales Ministers, and relevant Shadow Ministers, seeking urgent action on behalf of the Outside School Hours Council of Australia (OSHCA), supported by NOSHSA and 15 providers representing 2,038 OSHC services and 149,746 approved places nationally, including 1,473 services and 107,675 places across Victoria and New South Wales. We are asking governments to act urgently on regulatory fee increases that are materially disproportionate for OSHC and are now putting service viability, family affordability and access to care at risk. Specifically, we ask that the increased component of the 2026-27 annual service fees for OSHC be paused by 28 October 2026, pending an urgent independent review and the development of an OSHC-specific fee model.

This is not an argument against strong regulation. Providers support effective oversight and higher standards for child safety. The issue is that the current fee structure applies the same fixed annual charges to fundamentally different service models. OSHC operates shorter sessions, earns materially less revenue per service, and has less capacity to spread fixed regulatory costs across operations compared to long day care. The practical consequence is that a fee increase that may be absorbable in long day care can be several times more burdensome for OSHC.

The scale of the increase is significant.

Annual regulatory fee increases up to 1,000% for providers. The published 2026-27 NSW and Victorian schedules now charge up to \$9,109 per service for a large for-profit provider. OSHCA analysis indicates average annual revenue of about \$428,000 per OSHC service, compared with \$3.2 million for long day care. On that basis, the same fixed fee consumes around 7.5 times the share of revenue in OSHC.

The burden is not confined to for-profit providers. One not-for-profit provider has received a 2026-27 invoice of \$350,000, up from \$40,000 the prior year, a 775% increase. An increase of this magnitude cannot readily be absorbed, particularly by not-for-profit and community providers operating smaller, regional or lower-attendance services where there is often little or no margin available to absorb a further fixed-cost increase of this scale.

Families and our workforce ultimately carry the impact.

Email: noshsa@noshsa.org.au

Email: info@oshca.org.au

The impact of this fee will not stop with providers. OSHC operates on lower fees, tighter margins, and shorter hours than other forms of care, with less capacity to absorb additional costs or pass them on to families. Government data shows the average hourly OSHC fee is \$10.05, compared with \$14.60 for centre-based day care and \$13.95 for family day care. Member analysis indicates that the proposed fee could force providers to reduce places or hours, defer investment, or close services that are no longer viable.

For families, that means higher costs or less access to the care that enables parents to work. Reduced access to before- and after-school care can directly constrain workforce participation, with consequences for employers and economic productivity. This should be central to the Government's assessment of the proposal, not treated as a secondary provider issue.

That risk is compounded by a fee model that does not adequately reflect how OSHC operates. The model assumes a regulatory cost of 28 cents per approved place per day, which our analysis indicates creates a proportional burden around five times greater for OSHC than for centre-based day care. The issue is therefore not simply fairness between providers. It is whether the fee design creates an avoidable risk to service availability, family participation in the workforce, and productivity.

The risk of closure and significant destabilisation of the most rapidly growing care type in Australia is no longer hypothetical.

In May this year, providers publicly warned that up to 100 services across Victoria and New South Wales could be at risk if the fee settings for OSHC were not addressed. The pressure extends beyond service closures. Many OSHC providers are also considering reductions in approved places at existing services simply to maintain financial viability. Without urgent change, providers will need to close financially unsustainable services, particularly smaller and lower-attendance services in regional communities. This will remove local care options, disrupt children's continuity of care and constrain parents' ability to work.

The sector has continued to operate in good faith while seeking a workable resolution. The issuing of invoices in October has now brought the consequences of the current settings into sharp focus. Without urgent action, services will close and places for children will be lost. Once that capacity leaves the system, it may be difficult to restore. The current approach also appears poorly aligned with where regulatory effort, cost, and risk actually sit. Governments have not demonstrated in the material provided to us why provider size or profit status justifies these fee differentials within OSHC. We ask them to publish the evidence linking the charges to actual regulatory effort and cost.

Provider size or profit status is not a reliable proxy for regulatory cost, service economics, or capacity to absorb additional fees. Nor is it appropriate to rely on comparisons with centre-based day care without accounting for the materially different operating and economic characteristics of OSHC. The fee methodology should reflect the evidence about actual regulatory effort and the economics of each service type. On the information available, the current settings do not appear to meet that test.

We therefore ask the Victorian and New South Wales Governments, supported through the Education Ministers Meeting, to take three immediate steps:

- 1. Pause the increased component now.** Suspend collection and enforcement of the increased annual service fees for OSHC while the impact is reviewed, provide credits or refunds to services that have already paid, and reissue 2026-27 invoices at the previous fee level, which providers will pay immediately.
- 2. Publish the basis for the increases and review the model.** Release the cost and impact modelling, including how OSHC was assessed, and commence an urgent independent review of proportionality, affordability and service viability.
- 3. Agree an OSHC-specific solution with the sector.** By 28 October 2026, meet with OSHCA, NOSHSA and individual providers to establish an interim relief arrangement and a proportionate fee model that reflects OSHC operating hours, revenue, attendance patterns and actual regulatory costs.

We ask the Commonwealth Minister to raise this at the next Education Ministers Meeting, and Shadow Ministers to support an immediate pause and OSHC-specific review. These increases also cut across Commonwealth affordability objectives and Worker Retention Payment fee-growth conditions.

We request an urgent meeting and written response by 28 October, ahead of the payment deadline. Providers are already making 2027 decisions; further delay will affect fees, places and service continuity. Strong regulation should not make OSHC less affordable or available to families.

Please contact Kate Prigg on 0497 595 580 or at kate.prigg@teneo.com to arrange a meeting.

Yours sincerely,

Melinda Crole

President, Outside School Hours Council of Australia (OSHCA)

A handwritten signature in black ink, appearing to read 'Melinda Crole', written in a cursive style.

Kylie Brannelly,

Chairperson, National Outside School Hours Services Alliance (NOSHSA)

A handwritten signature in black ink, appearing to read 'Kylie Brannelly', written in a cursive style.