



Tuesday 24 February 2026

MEDIA STATEMENT

Childcare Licence Fees to Rise Up to 1000% - Sector Warns of Service Cuts and Impact on Families

Annual licence fee hikes decided behind closed doors will threaten the viability of local and community-based early childhood services, the Australian Childcare Alliance warns.

At the Education Ministers' meeting on 20 February 2026, it was decided that Victoria and New South Wales will impose annual licence fee increases of up to eleven times their current rates. South Australia, Tasmania and the ACT will have a smaller increase of 10%.

The annual licence fee is a mandatory payment required under the National Quality Framework (NQF) paid by each service to contribute to the ongoing regulatory oversight of the sector.

From 1 July 2026, annual licence fees will increase as follows:

NSW and VIC:

- 11 times for large private providers (approx. 1,038%)
 - 7.7 times large not for profit providers (approx. 700%)
 - 5.5 times for small private providers (approx. 471%)
 - 3.3 times for small not-for-profit providers (approx. 242%)
- TAS, SA and ACT:
 - 10 per cent increase across all service types and service providers
 - QLD, WA and NT are not affected by this decision.

For a small private service of less than 24 licensed places, the current cost is \$319, and will increase to approximately \$1821. For a sole owner operator that exceeds 101 licensed places will increase from \$802 to approximately \$4579.

ACA President Paul Mondo said the announcement was a shock to a sector already operating under immense financial pressure.

“All increases are on top of the annual CPI indexation from 1 July 2026. It will have serious consequences that increase costs whilst impacting the viability and stability of services and the workforce.”

☎ 0411 587 170

✉ president@childcarealliance.org.au

🌐 www.childcarealliance.org.au

Level 1, 1535 Dandenong Rd
Oakleigh VIC 3166



"This is not a minor administrative adjustment for Victorian and NSW services," Mr Mondo explained. "This is an unprecedented cost increase that will hit small, local and independent childcare operators the hardest. These are community businesses run by people who have dedicated their lives to educating and caring for children, and they are already operating under complex arrangements".

The fee decision lands at an extraordinarily difficult time for ECEC service providers. The majority of Australia's childcare sector comprises small, independent owner -operators.

"These small businesses are absorbing enormous costs. Inflation has driven up the cost of raw materials, energy, food and rent."

"We've seen WorkCover costs more than double over the last two years, with insurance, rent and property costs accounting for approximately 20-25 per cent of revenue. Occupancy rates are at historic lows due to significant oversupply in metropolitan areas. "

"Most importantly, a government-implemented fee-cap for the last 18 months limits revenue, recovery and liquidity to cover the ever -increasing costs to operate a small business. This is compounded by the significant investment required to implement the range of reforms that have rolled out since August 2025 and will continue through 2026," Mr Mondo said.

Every dollar spent on licence fees is a dollar that cannot be invested in educators, resources, or the quality -of-care children receive. ACA is deeply concerned that these increases will trigger service cutbacks and further impact families.

ACA acknowledges that regulator underfunding is a genuine problem and has long advocated for adequate resourcing and more frequent spot checks and assessments and rating visits. Recent inquiries and reviews have confirmed that regulatory bodies have not kept pace with the sector's growth.

The compounding impact of financial instability, occupancy concerns and significant regulatory changes being applied, in conjunction with the unprecedented multipliers to annual licence fees in NSW and Victoria, leaves services feeling vulnerable and uncertain about their futures.

ENDS

For further information about the organisation visit childcarealliance.org.au.

For media enquiries, please contact Tammy Wayne
tammy@fiftyacres.com or Mobile: 0414 428 440

-Elliot, Fifty Acres at

☎ 0411 587 170

✉ president@childcarealliance.org.au

🌐 www.childcarealliance.org.au

Level 1, 1535 Dandenong Rd
Oakleigh VIC 3166



About Australian Childcare Alliance

The Australian Childcare Alliance (ACA) is a not-for-profit, member-funded organisation advocating for the future of Australia's children.

Our national and state bodies work collaboratively with all levels of government, regulatory authorities and other stakeholders with an evidence-based approach, to ensure that families are supported into the future with a sustainable, affordable and viable ECEC sector.

The ACA believes that with the right policy and financial frameworks in place, we could ensure that every child in Australia has access to high quality, affordable and sustainable early learning (childcare) services, and therefore the best start in life.

About Paul Mondo - President, ACA



With over 20 years of experience as an early learning service provider, Paul has developed a strong understanding of the challenges facing owner/operators in an ever-changing, highly-regulated landscape. This wealth of experience coupled with a passion for the benefits of early learning inspired Paul to take a leadership role in the advocacy space.

Formerly the President of ACA Victoria, Paul has now been President of the Australian Childcare Alliance for over nine years, playing a key role in advocating for the interests of ACA members and the early learning sector at the Federal Government level.

☎ 0411 587 170

✉ president@childcarealliance.org.au

🌐 www.childcarealliance.org.au

Level 1, 1535 Dandenong Rd
Oakleigh VIC 3166