



Friday March 27, 2020

Outside School Hours Care services facing collapse from COVID-19

A coalition of Australia's major Outside School Hours Care (OSHC) service providers has warned that large parts of the sector face the threat of collapse without an urgent change to the Federal Government's Child Care Subsidy, also threatening the capacity of Australia's essential workforces, as school attendances plummet in response to ambiguous and inconsistent Government policy on schools.

"The Outside School Hours sector has been completely forgotten by State and Federal Governments, despite the essential role we play in caring for children outside of school hours," said Sinead Ryan, a spokesperson for the OSHC providers.

"While many schools remain open, students are being urged to stay home and attendances at Out of School Hours Care and Vacation Care have collapsed. Our sector faces no choice but to commence the widespread closure of services across the country and the standing down of our workforce," Ms Ryan.

"As the number and rate of stand-downs of childcare professionals increase it will become extremely difficult to recommence services once schools re-open."

Five OSHC service providers – Junior Adventures Group, TeamKids, Camp Australia, TheirCare and the YMCA, who together account for more than 30% of the national OSHC market, look after hundreds of thousands of children and employ thousands of childcare workers, have been forced to begin closing services, a move which is expected to escalate in the coming days. This will apply to OSHC providers nationwide.

OSHC service providers are primarily funded via the Child Care Subsidy, a Government payment which is calculated on the number of children attending the services, with parents allowed to cancel attendance with as little as two hours' notice to provide maximum flexibility for families.

With attendance in freefall this funding mechanism means most services are now incurring crippling losses.

"It is with a heavy heart that without visibility of funding, we will be forced to temporarily close many of our services and stand down thousands of our staff. This is the most difficult decision we have ever had to make. At a time of great community need, Outside School Hours Care provides vital support to essential workers who need additional care for their children while they are at work. Sadly, the situation has become untenable," Ms Ryan said.

"In the last three weeks, attendances at the hundreds of schools around Australia where we provide our services have fallen by as much as 98%, and in many cases this week we opened services to provide before and after school care and attendances were zero.



“We are heartbroken for our childcare professionals, who provide a vital and valuable service, but without a change to the funding model we simply have no revenue coming in. We need a resolution from Government on assistance to the sector immediately.”

There are also serious concerns about the long-term impact of the temporary shutdown. Permanent childcare professionals may not return to the industry once the crisis has ended, imperilling our ability to rapidly restore services, exacerbating the existing skills shortage and putting the long-term viability of the sector into question.

There have been extensive discussions with the Federal Government in recent weeks on how the industry can be saved. While these discussions have been productive and there are plans for the industry to access the Community Child Care Fund (CCCF), the criteria and execution for accessing the funding has yet to be determined, and the sector has run out of time.

In addition to the direct impact on childcare workers, OSHC is recognised as essential to supporting workforce participation. The Federal Government has identified that at least 30 per cent of the workforce is required to continue running essential services, and the closure of OSHC services will have a flow-on effect on the economy at large.

To ensure the sector’s ongoing viability, the Coalition is seeking Government support to be based on program attendances in the last week in February, a baseline period prior to COVID-19’s devastating impact on attendance.

For further information:

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