

[REDACTED]

[REDACTED]

Introduction

What is your name?

Name:

What is your email address?

Email:

Are you responding to this survey as:

Parent or guardian

What is your organisation?

Organisation:

N/A

Do you consent to the ACCC publishing your submission?

Yes, but do not publish my name

Open written submissions

Confidentiality and personal information

Choose File:

No file uploaded

Choose File:

No file uploaded

If you wish to provide responses to all or any of the draft findings and recommendations outlined in the September interim report, please move to the next section 'Guided submissions' to provide responses against the relevant findings and or recommendations.

Draft Findings - Costs

1. Labour is the main driver of cost for supplying childcare, accounting for 69% at centre based day care and 77% at outside school hours care. Labour costs have increased significantly for large centre based day care providers over the last 5 years.

Agree

Please provide further comment if relevant:

2. Land and related costs are the other significant driver of cost for centre based daycare providers.

Agree

Please provide further comment if relevant:

3. Not-for-profit providers appear to face lower land costs than for profit providers, but these savings are invested into labour.

Agree

Please provide further comment if relevant:

It'd be good to look at NFP providers who've started a new service in last 5 years as an isolated group within the NFPs. I'd suggest their land costs have on par with FP providers. And would further predict there'd be a low volume of new service NFPs in last 5 years.

4. Location influences costs of supplying childcare services, although the influence differs depending on the cost category. Overall, costs to supply services to different areas of remoteness and socio-economic advantage do not differ greatly, except for the areas of most remoteness

and most socio-economic advantage.

Agree

Please provide further comment if relevant:

Draft Findings - Competition

5. Parents' and guardians' demand for centre based day care is driven by a complex combination of factors. Parents look to prevailing market prices, however informal measures of quality are key considerations.

Do Not Agree

Please provide further comment if relevant:

Spots available (supply) is the number one factor for parents; and then cost or quality depending on your financial position. Regardless of financial, location, other variables- supply is limited and parents will send their child to a centre that's more expensive and/or less quality (below parent expectations on both fronts) if it means they can get their child into the centre. Eg centres in our area (10km radius) range from \$90-140 a day, with varying levels of audited Quality results for the centre & its programs. Regardless of \$ or quality, parents will put in request for bookings / application forms at multiple centres with the hope that one of them becomes available. We have families that have been on the waitlist at our centre for 2+ years and their kids are currently going to centres they don't like because they have no other option.

6. Providers' supply decisions are influenced by expectations of viability, which is heavily influenced by relative socio-economic advantage and geographic location.

Agree

Please provide further comment if relevant:

As a for-profit, why would you set up a centre in a place that doesn't have strong demand? It's basic capitalism. If you want businesses to operate where the profit margin is tight, there'll have to be incentives (tax breaks, subsidies, wage support, etc).

7. Staffing constraints are a barrier to more suppliers entering or expanding their operations in childcare markets.

Agree

Please provide further comment if relevant:

Labour is tight! As a parent, observation is there are lots of new, inexperienced people entering the market but the quality of person (education standard, physical presentation, desire to work with kids, attitude/ stamina to work with kids, etc) is seriously lacking with many we see come through our centre. Significant coaching & mentoring by leadership (centre director & assistant) required, which takes them away from running the business. Double edged sword though - need the people, so need to on-the-job train/refine them.

8. The nature of competition reflects the unique demand and supply factors in childcare markets; price plays a less influential role once households have chosen how much childcare to use and providers compete on quality to attract and retain children and families.

Agree

Please provide further comment if relevant:

Availability is no 1; Quality is no 2; price I would comfortably say is no 3.

Quality is where Centre has most control to differentiate themselves.

Draft Findings - Profitability, viability and quality

9. On average, large centre based day care and outside school hours care providers appear to be profitable and financially viable.

Agree

Please provide further comment if relevant:

10. Occupancy is a key driver of revenue and therefore profits and viability.

Agree

Please provide further comment if relevant:

11. On average, margins are higher:

Agree

Please provide further comment if relevant:

Higher demand drives their margins.

12. The ability to attract and retain staff is a key determinant of quality, which affects the profitability and viability of a service.

Agree

Please provide further comment if relevant:

Parents want consistency; and to deliver consistent quality service, staff turnover needs to be minimised. Consistent quality and consistent staff that parents interact with, means parents more satisfied and less customer churn.

Draft Findings - Price regulation mechanisms

13. The design of the Child Care Subsidy and existing price regulation mechanism has had a limited effect in placing downward pressure on prices and limiting the burden on taxpayers.

Agree

Please provide further comment if relevant:

Increase the CCS and it just means centres increase their fees.... No cost of living reprieve for parents as promised.

14. Childcare providers are optimising session lengths to match current activity test entitlements to minimise out-of-pocket expenses for parents and guardians and maintain their revenues and profits.

Do Not Agree

Please provide further comment if relevant:

Charge 12 hrs; only open 11hrs.

15. The Child Care Subsidy is complex for parents and guardians to understand and it is difficult to estimate out-of-pocket expenses.

Agree

Please provide further comment if relevant:

Not straightforward at all.

16. More information is important for parents and guardians, yet the comparator website StartingBlocks.gov.au is not widely used by parents and guardians and can contain outdated information.

Agree

Please provide further comment if relevant:

Draft Findings - International childcare costs and price regulation mechanisms

17. Overseas data indicates childcare in Australia is relatively less affordable for households than in most other OECD countries.

Agree

Please provide further comment if relevant:

18. Many OECD countries are moving toward greater regulation of childcare fees such as low fees or free hours for parents and guardians, supported with supply-side subsidies to cover providers' costs of provision.

Unsure / No View

Please provide further comment if relevant:

Draft Recommendations - Existing regulatory arrangements

Draft recommendation 1 - The ACCC recommends that the Australian Government reconsider and restate the key objectives and priorities of its childcare policies and supporting measures, including the relevant price regulation mechanism.

Support

Please provide further comment if relevant:

Draft recommendation 2 - The ACCC recommends further consideration and consultation on changes to the Child Care Subsidy and existing hourly rate cap mechanism, to simplify their operation and address unintended consequences, including on incentives and outcomes.

Support

Please provide further comment if relevant:

Draft recommendation 2 (a) - Consideration be given to determining an appropriate base for the rate cap and indexing the cap to more closely reflect the input costs relevant to delivery of childcare services. This could include consideration of labour costs as well as the additional costs associated with providing childcare services in remote areas and to children with disability and/or complex needs

Support

Please provide further comment if relevant:

Draft recommendation 2 (b) - Consideration be given to changing the hourly rate cap to align with the relevant pricing practice for the service type. This could include consideration of a daily fee cap for centre based day care. Consideration will need to be given to setting and monitoring minimum requirements to avoid creating incentives for childcare providers to reduce flexibility or quality.

Support

Please provide further comment if relevant:

Draft recommendation 2 (c) - Consideration be given to removing, relaxing or substantially reconfiguring the current activity test, as it may be acting as a barrier to more vulnerable children (for example, households with low incomes or disadvantaged areas) accessing care and creating a barrier to workforce entry or return for some groups. An alternative would be to consider a specific entitlement, such as a certain number of days of care.

Support

Please provide further comment if relevant:

I support the review, but want to highlight potential unintended consequences of removal of activity test as given in the "More Information" drop-down below. The concept that removal of activity test and making CCS available to low-income households would mean children could access educational & development opportunities at daycares, and increased employment participation for parents.

" These observations suggest that the activity test is regressive in effect for low income households and may result in those cohorts of children missing out on the educational and developmental benefits of childcare as well as creating a barrier to workforce participation. "

I am very conscious of ensuring that the Government understands the balance of education & development for children needs to be balance of institutional development programs (Eg daycare) AND in-home learning with parent/s. I worry when I read the above statement that good intentions of making childcare available for low-income (or any income) household will push the agenda that childcare centres will provide education & development to our children much better than parents can, leading to a very institutional view of childcare & under-valuation of the home space as a learning environment.

I'm a tertiary educated parent in a comfortable financial position who is actively involved in my children's growth & development; and yet as a new parent I felt very under-prepared for how to support my children's education & development. When I had my first child in 2015, it was pushed on me from many sources (GP, Child Health Nurse, Teacher friends who work in Qld EQ, and full-time working mum friends) that the best place for my child was to put him in daycare at about 3 months old so he could get cared for by the professionals / get social interaction with other kids his age / etc, and of course so I could go back to work full-time. I did not do that and used my leave balance to take ~12 mths off to be at home with my child, be the one responsible for my child's growth & development, and tap into resources in the community for development & social engagement (Eg new parent groups, local library, etc). I have the education and means to do this.... I genuinely worry that parents without the same means having the value they can offer to raising their own children being undermined by an increased Government & societal push that the best (or only) place for kids is in group daycare. Please ensure the societal & cultural change / impact is taken into account when reviewing the CCS activity test.

Universal Childcare should be a choice of parents, that they can make their own informed decisions how they wish to use it to suit their family, financial, etc goals.

Draft recommendation 2 (d) - Consideration be given to including a stronger price and outcomes monitoring role by government, supported by a credible threat of intervention, to place downward pressure on fees.

Support

Please provide further comment if relevant:

Government announced increase the CCS rate as of 1 July 2023 to help cost of living pressure on families, and almost immediately we received an email from our daycare centre to say from 1st July 2023 the day rate would be increasing. Feedback to my local community mother's group online is that every daycare centre in our region (Redlands, QLD) increased their fees from 1st July, anywhere from \$10 - \$30 per day and as a result families didn't feel any relief from the increased CCS.

Draft recommendation 3 - The ACCC supports reconsideration of the information gathered for and reported on StartingBlocks.gov.au so that it is better focused on meeting parents and guardians' information needs, and balanced against the costs of collecting and publishing information. This could include:

Support

Please provide further comment if relevant:

Draft recommendation 4 - The ACCC recommends that the governments further consider how the existing regulatory frameworks support and influence the attraction and retention of educators and workforce in the early childhood education and care sector.

Support

Please provide further comment if relevant:

Childcare isn't valued as a career and due to parent's need to use it so can work, it's seen as a basic service (or glorified babysitting) and not as early education for kids. Quality between centres is so vast where some seem like babysitting service, vs some have great interactive programs in place for child development & enrichment.

Incentivise positive outcomes for kids - Eg Build some incentive for centres aiming higher & delivering great programs to get wage support for staff. May improve quality of service at lower performing centres over time.

Re labour shortages, consider subsidy for uni students (any field) to work in childcare to fill labour gap; young, fresh, educated blood in the system for children to get benefit from; and exposure to children would benefit many professions the uni students eventually go into.

Draft Recommendations - Broader policy considerations for more significant change

Draft recommendation 5 - The Australian Government should consider maintaining and expanding supply-side support options for Aboriginal Community Controlled Organisations that provide childcare and additional support services for First Nations children, parents and guardians.

Support

Please provide further comment if relevant:

Get the \$ to where it's needed, so children who don't currently have access to childcare (either through supply issue, financial status or cultural misunderstanding) get to participate too.

Draft recommendation 6 - A market stewardship role should be considered for both Australian and state and territory governments, in identifying under-served areas and vulnerable cohorts, along with intervention whether through public or private provision. A competitive tender process is one tool that could be used by governments to facilitate delivery in these areas.

Support

Please provide further comment if relevant:

As above to previous recommendation - get the services to where they're needed.

Draft recommendation 7 - The ACCC supports further consideration of supply-side subsidies and direct price controls. Some changes to the policy settings are likely to reduce the impact of the hourly rate cap as an indirect price control, and may warrant a shift to direct price controls supported by operating grants for regulated childcare providers.

Support

Please provide further comment if relevant: