

[REDACTED]

[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:

NA

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Yes, but do not publish my name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:

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Choose File:

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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.

## Guided submissions

### 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.

Unsure / No View

Please provide further comment if relevant:

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

Unsure / No View

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.

Unsure / No View

Please provide further comment if relevant:

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.

Unsure / No View

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.

Agree

Please provide further comment if relevant:

The inclusions of food, nappies, sheets are relevant. The extra curricular activity seem to be used as justification for increased costs yet there is zero transparency on this; eg pilates, art class (which discontinued), sensory class. Some of these activities have questionable educational value above what a qualified early educator can provide and yet are used to justify increasing cost.

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

Unsure / No View

Please provide further comment if relevant:

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

Unsure / No View

Please provide further comment if relevant:

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:

When initially selecting a centre, all the centres around us had the same daily rate and it was location, size and impressions of quality that guided the decision. However once enrolled, well the guiding factor in staying with the provider despite significant increases to their daily rates is twofold 1. Availability and low confidence in obtaining full time placements in another centre and 2. The transition and impact to the child and their routine. These are young children needing stability and routine who can't easily accept that they're changing centres because it's more competitive. They have friendships etc.

Ultimately it feels that once you're in there is no need to be competitive and as long as they time their daily rate increases to match the rebate increases, they have little guilt. It would be one thing if more of that increase was passed onto their staff, but it's another to do that and still pay staff low wages

## 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.

Unsure / No View

Please provide further comment if relevant:

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

Unsure / No View

Please provide further comment if relevant:

11. On average, margins are higher:

Unsure / No View

Please provide further comment if relevant:

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

Unsure / No View

Please provide further comment if relevant:

## 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:

Increasing the subsidy barely helps us because the centre just increases the daily rate to basically keep us at the same cost contribution. It's a guilt free license to increase their prices beyond CPI. In 2019 we were paying \$100 per day, now in 2023 we are paying \$139.50

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:

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

Do Not Agree

Please provide further comment if relevant:

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:

The website doesn't contain a lot of helpful information. The meets or exceeding ratings seem like something that doesn't genuinely align to quality or could easily be tick and flicked. My impression was it's an assessment in who has a written policy in place rather than who actually abides by their written policies. If that stuff actually helped, surely no kids would have been left in buses.

## 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.

Agree

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:

However this needs to be done in a way that accommodates inclusions. Eg a max daily rate of \$150 has to include all meals, nappies, sunscreen etc. and maybe \$120 is for no inclusions. Otherwise they'll all just charge the max rate and stop supplying things they currently supply or make it a separate subscription cost.

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.

Unsure / No View

Please provide further comment if relevant:

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:

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:

I think the privacy of children data also needs to be more closely considered. Are the centres providing mass amounts of data to external extra curricular providers without our consent, or even informing us what that data is. E.g what data have they handed over to the Pilates instructor. Photographer's was a big concern for me last year, they arranged for a photographer to come out with a zero registration piece. So this provider has taken photos of my children, has their name, my name and contact info ALL BEFORE I have been informed/consented to their terms, conditions etc. then I was supposed to sign up in order to view the images. (I immediately requested all my family data be deleted and raised my concerns) but the broader issue here is that the centre did not see how what they had done offended privacy legislation.

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:

### 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.

Unsure / No View

Please provide further comment if relevant:

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:

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: