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Introduction

What is your name?

Name:

What is your email address?

Email:

Are you responding to this survey as:

Consumer or community advocacy group

What is your organisation?

Organisation:

North West Queensland Indigenous Catholic Social Services

Do you consent to the ACCC publishing your submission?

Yes

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.

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.

Agree

Please provide further comment if relevant:

Availability and long term commitment of qualified staff is a huge issue in remote areas.

Access for First Nations children is also an issue, especially when it is easier to engage with families who are eager to pay and will fulfil their commitments with ease.

Transport and family history can also be a barrier where people are judged by their previous commitment.

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

Do Not 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.

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.

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.

Agree

Please provide further comment if relevant:

Word of mouth governs the reception to childcare providers in remote places

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:

However it seems that it is easier to go for the quick solution rather than face the hard issues around those most in need.

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

Agree

Please provide further comment if relevant:

As well as out of town providers not knowing how the local market operates and being concerned about profitability.

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:

Being able to place a child in a Centre is most important issue for us. Lack of places and lack of staff are the most common issues raised.

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:

If they are not profitable I am sure they would leave the market for another income producing stream for their company.

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

Agree

Please provide further comment if relevant:

As lack of staffing is an issue in our area, it seems that companies/not-for-profits use this as a way of limiting numbers to keep profitability.

11. On average, margins are higher:

Agree

Please provide further comment if relevant:

Margins are higher where there is sufficient staffing and there are fewer issues around the running of the centres. It seems to me that there are fewer issues in running a Centre in Major cities where choice of centre, staffing and higher quality comes with competition.

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:

In a mining centre where wages are higher than normal and the attractions of mining are offered, it is harder to attract and retain staff in the childcare area even though it is counterproductive for families seeking childcare.

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:

It does not seem to have made any difference here where demand is so high.

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.

Unsure / No View

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.

Agree

Please provide further comment if relevant:

For some in the lower income bracket this is very true where literacy is a huge issue.

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:

Websites are not well used by First Nations people here and access to the right person is limited.

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:

I think that the data is irrelevant to many as the placing of a child, and cost, are the main issues for people here.

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:

If we want to place more emphasis on childcare as education, then we need to show that we value it and it will show the results in long run in schools.

Draft Recommendations

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:

I support the timing of this restatement and to make it clear what childcare is for, especially IT IS NOT for making profit as a clear priority.

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:

The clearer the better is is made known.

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:

As there is an increasing number of children with disabilities, it is important that this is taken into account.

The remoteness of childcare has an advantage that it belongs to a community and is here with their interests but it also has the disadvantages that come with remoteness.

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:

Agreed

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:

It is a barrier for low income families who have enough barriers to begin with.

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:

While free market forces are generally considered a good thing, it does not seem to sit well in the present situation we see locally.

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:

d. is an issue for parents with low literacy and generally less confidence in the system.

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:

Taxation benefits are important.

Rural and remote tax benefits are needed in many areas of employment for system where the tide of fly-in and out and to show proactive care for the growth of the local communities.

Wags need to reflect the priority that childcare should be in a community.

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:

There is a definite need for First Nations people to be able to run their own childcare support options provided it is managed efficiently and profitably.

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:

I know in our area that there is a significant under-servicing of families and the resultant loss of interest in education in the important early years. However the need for Government supply should be the last option for me.

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:

It is my image that people are in the game for profit and not for the real reasons of childcare. It would be interesting to see if this is true from their profit and loss statements. I do not see how the proposal would directly reduce have negative results for families.