

[REDACTED]

[REDACTED]

[REDACTED]

Introduction

What is your name?

Name:

[REDACTED]

What is your email address?

Email:

[REDACTED]

Are you responding to this survey as:

Parent or guardian

What is your organisation?

Organisation:

Do you consent to the ACCC publishing your submission?

Yes, but do not publish my name

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.

Do Not Agree

Please provide further comment if relevant:

I do not agree. The number of trainees which are on less than \$15 an hour, yet have either 4 babies at a cost of \$150 per day or 10 preschools at a cost of \$145 a day. Early childhood is one of the lowest paying jobs. When I was a qualified Certificate 3 educator I was on a measly 40,000 as a full time educator back in 2017. I worked in the babies room (120 per day) at that time and with enrolments full, 4 babies a day, the centre earned 124,800 but paid me only 40,000 of that. Huge profit for them.

Labour may be high but there is no way that it is accounting for 70% of all costs. Maybe it does after APs take their share and "pay" themselves. Maybe that's what they do.

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.

Agree

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:

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:

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

Agree

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.

Do Not Agree

Please provide further comment if relevant:

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:

This question should say "profit margins"

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

Do Not Agree

Please provide further comment if relevant:

"The ability to attract and retain staff is a key determinant of quality" - no not at all. you can meet staffing but that doesn't mean you are a quality service at all

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.

Unsure / No View

Please provide further comment if relevant:

What "price regulation mechanism" system? ha ha ha

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:

No not necessarily. We only attend for 8 hours but are charged for 12 hours every day regardless of the hours we actually attend.

There is no one regulating this.

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:

The CCS calculator works well.

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.

Do Not Agree

Please provide further comment if relevant:

StartingBlocks.gov.au is a great website and i use often.

Maybe they should advertise it more.

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:

Yes please. Something that prevents services from increasing their fees but 10% in one go, or even that they aren't allowed to increase fees just because subsidies have gone up for parents (like in july this year).

Also a restriction on the number of increased per year to just being 1 only not four increases a year!

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.

Unsure / No View

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

Unsure / No View

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 servicetype. 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.

Unsure / No View

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.

Do Not Support

Please provide further comment if relevant:

No if they want to look for work, these families are given hours of day care through the activity test. There is no need to reconfigure this to give them more. Save the spots for the families that actually do work and need the care.

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:

Do Not Support

Please provide further comment if relevant:

Whoever proposed this clearly does not understand how starting blocks works.

Starting blocks takes information from the national NQAITS system that is reliant on daycares providing their own information correctly. How much more current and accurate can you have this information?

An estimated out of pocket cost is provided on Starting Blocks already. With some services indicating prices (again the choice of the service).

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.

Unsure / No View

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.

Unsure / No View

Please provide further comment if relevant: