

ACCC report says community childcare sector delivers for families across Australia

5 July 2023

The Early Childhood Education and Care (ECEC) not-for-profit sector is more affordable and accessible for families according to the interim report of Australian Competition and Consumer Commission (ACCC) Review into Childcare Pricing, with fees in the for-profit sector on average 7% higher.

“The report confirms what the not-for-profit sector has known for a long while. We’re higher in quality and less costly on average, and we educate children across all locations. If governments want to improve access to Early Childhood Education and Care (ECEC) for all children and are seeking efficiency, investing in the not-for-profit sector is a big part of the answer,” said Early Learning Association Australia (ELAA) Acting CEO, Megan O’Connell.

The ACCC report identifies that average daily fees increased based on the capacity of the community to pay, and the size of providers. Despite this, not-for-profit centres charge on average lower hourly fees than for-profit centres, across all geographic and socio-economic areas.

The report also confirms that not-for-profit providers are more likely to be in more disadvantaged areas, and to be in more remote parts of Australia.

Over half of providers in outer regional Australia are not-for-profit with almost all providers in remote communities being from the not-for-profit sector.

The report also shows that the childcare ‘market’ is not operating as you would expect. Firstly, parents are choosing centres by location and availability, rather than cost. Areas with multiple childcare providers have higher costs, potentially because of the ability of families in those established areas to pay higher fees is a drawcard for new providers.

“We’ve seen the impact of ‘childcare flooding’ where new providers swamp crowded markets, whilst other areas struggle to attract providers and soon become ‘childcare deserts’. The ACCC interim report provides initial data to confirm that the market is not operating as intended.”

Disappointingly, many low-income households spend up to a fifth of their disposable income on childcare, compared to wealthier households spending less than a tenth of their disposable income.

However, the interim report does not include a detailed data analysis of the costs of delivery. “ELAA urges the ACCC to seek further information to support it to understand the cost drivers in ECEC and where the significant government spend is going prior to releasing the final report at the end of the year.”

To arrange an interview with ELAA Acting CEO, Megan O’Connell, please contact ELAA’s Communications and Marketing Specialist, James Gardener, at jgardener@ela.org.au or 0413483182.

Media Release



EARLY
LEARNING
ASSOCIATION
AUSTRALIA

EARLY LEARNING ASSOCIATION AUSTRALIA – THE VOICE FOR PARENTS AND SERVICE PROVIDERS

ENDS

ELAA is the national peak body for not-for-profit providers of early childhood education and care. Our vision is Excellence and Equity in Early Childhood Education and Care. www.elaa.org.au