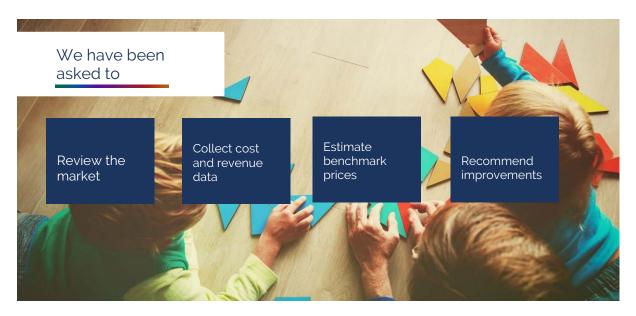




Affordable, accessible early childhood education and care

18 April 2023



Our review will focus on services for children aged 0 to 12 years, including:



We want to hear from you

Your input is critical to our review process. Get involved by taking our survey or providing feedback by 22 May 2023, and/or attending an online public hearing on 15 or 16 May 2023.

<u>Take our survey or provide</u> <u>feedback »</u>

Register for public hearing »

See Issues Paper to read more »

Access to and choice of services

Accessibility is about several complex and overlapping factors:



Time and place

- Is enough care available?
- Do the times and days available suit families' needs?
- Are early childhood services in locations which suit families' needs?



Information

Do families have sufficient information to make informed decisions?



Affordability

• Can families afford available services?



Inclusion

- Are there services that reflect the family's culture, values and aspirations?
- Do services cater for the physical or other needs of a child or family?



Non-discrimination

 Are families being excluded from services because of race, disability or additional needs, gender, sexuality?

Consumer choice is also closely related to accessibility. It is about making sure that families have a meaningful choice about early childhood services. This includes making sure:

- there are a variety of providers and service types to choose from
- the services available provide high quality care.



How can access and choice be improved?

Affordability of services

Affordability can mean different things for different families. Even families who are in similar financial positions may have different ideas about what is affordable.



Cost compared to household income

We will compare the cost of using services to a family's household income. If families are spending more of their income on services over time, it means services are becoming less affordable.



Cost compared to additional income gained

We will look at the cost of services compared with the potential increase in family income if a parent returns to work, or works more hours.



Parent perceptions of affordability

We will look at the financial and non-financial factors parents consider when making decisions about whether or not they will return to work and/or use early childhood services.

We want to know:

- How do families judge whether a service is affordable?
- How do the costs of using early childhood services affect families?
- What would make using these services more affordable for families?



How do early childhood services costs affect your family?

Supply of services

Providers of early childhood services consider a range of factors when deciding whether to establish or expand a service. These decisions affect the supply of services available for families.

Demand for early childhood places



Understanding demand for services helps providers match it with supply. Demand for early childhood services is driven by a range of factors, including the need for care to enable parents to work and the location and convenience of a service.

Workforce availability



Services must adhere to staffing ratios for quality and safety reasons. Current workforce shortages affecting the sector mean that services may have to restrict the number of children that they enrol or care for to meet these ratios.

Service provider costs



The costs of establishing or expanding a service may vary by service type. The extent of these costs may influence service providers' decisions and impact the supply of services.

We want to know:

- How can the supply of early childhood services can be measured and tracked, including areas where there is an existing or potential supply shortage?
- What drives the supply of services?
- How can supply be enhanced to improve affordability, accessibility and consumer choice?

What factors cause supply shortages in the sector?

How can we address these?

Provider costs and revenue

Providers incur costs to deliver early childhood services and they generally set fees to recover these costs. However, different providers may spend different amounts to deliver the same service for many reasons, such as the location or the size of a service.

Common cost categories include:



Labour costs



Rental costs



Property maintenance and capital investment costs



Administration and compliance costs



Purchases and consumables for operating the service

In most cases, the fees charged to families are paid partly by families and partly through government subsidy and/or fee relief. Early childhood services may also receive direct government funding.

As part of our review, we will collect revenue and cost data directly from providers across different locations, service types and provider types. However, we want to know more about provider experiences of costs and revenue.

We want to know:

- What types of costs are involved in providing services?
- Which types of costs are most challenging for providers?
- How do providers manage their costs?

We will use cost data to estimate benchmark (or standard) prices that can be used to measure and compare early childhood service fees in NSW.

How do you manage costs and revenue in your service?

IPART acknowledges the Traditional Custodians of the lands where we work and live. We pay respect to Elders both past and present. We recognise the unique cultural and spiritual relationship and celebrate the contributions of First Nations peoples.