



IPART Independent
Pricing and Regulatory
Tribunal | NSW

Review of early childhood education and care

Public Hearings, 15 and 16 May 2023



Welcome and Acknowledgement of Country

Carmel Donnelly PSM
Chair

Agenda

- 01 Welcome and Acknowledgement of Country
- 02 IPART presentation
- 03 Q & A session
- 04 Closing remarks



IPART presentation

IPART review of early childhood education and care in NSW



Review the market

Report on factors driving affordability, accessibility, consumer choice and supply of services



Collect cost and revenue data

On current fees, household out-of-pocket costs, and provider revenue and costs



Estimate benchmark prices

That reflect the costs of providing quality services and to compare service fees









Recommend ways to improve

Affordability, accessibility and consumer choice

- Issues Paper published 18 April 2023 seeking feedback on key issues and questions from families, providers and other stakeholders
- Give feedback via:
 - Have Your Say survey and consultation
 - Submissions
 - Reaching out to us to meet/workshop/site visit
- Feedback on the Issues Paper due by 22 May 2023

Overview of the sector in NSW

		NSW Department of Education preschool	Community and mobile preschool	Long/Centre based day care	Family day care	Out of school hours care (OSHC)
	Age range (years)	3-5	3-5	0-5	0-12	5-12
	CCS eligible	No	No	Yes	Yes	Yes
	Numbers attending	~4,141 3,441 YBS children (3.5% of YBS children)	~39,000 20,735 YBS children (21% of YBS children)	~249,000 61,584 YBS children (63% of YBS children)	~30,000	~151,600
	Operation hours	6	7.5	10-11	Varied	Varied
	Services	101	~738	~3,300	~140	~1,500 (+300 long day cares provide OSHC)
	Provider type	NSW Government run and managed (school based)	92% private NFP 5% government managed 3% independent	75% private FP 17% private NFP 6% government managed 2% independent	54% private FP 22% private NFP 24% government managed	47% private FP 42% private NFP 6% government managed 5% independent schools



Accessibility and choice of services

Accessibility is about several complex factors



Time and place

- Is enough care available?
 - Do times and days available suit families' needs?
 - Are services in locations that suit families' needs?
-



Information

- Do families have enough information to make informed decisions?
-



Affordability

- Can families afford available services?
-



Inclusion

- Do services reflect families' culture, values and aspirations?
 - Do services cater for physical or other needs of children/families?
-



Non-discrimination

- Is there exclusion from services because of race, disability or additional needs, gender, sexuality?
-



Affordability of services

Assessing affordability



Cost compared to household income

- Compare cost of using services to family's household income
 - If families are spending more of their income on services over time, services are becoming less affordable
-



Cost compared to additional income gained

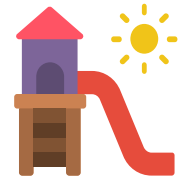
- Cost of using services compared with potential increase in family income if a parent (who wants to) is able to return to work, or work more hours, by having their children in an early childhood service
-



Parent perceptions of affordability

- Parents consider financial and non-financial factors when making decisions about whether or not they will return to work and/or use early childhood services
-

Benchmarking prices – factors to consider



Types of services



Quality of services



Location of services



Age groups of children

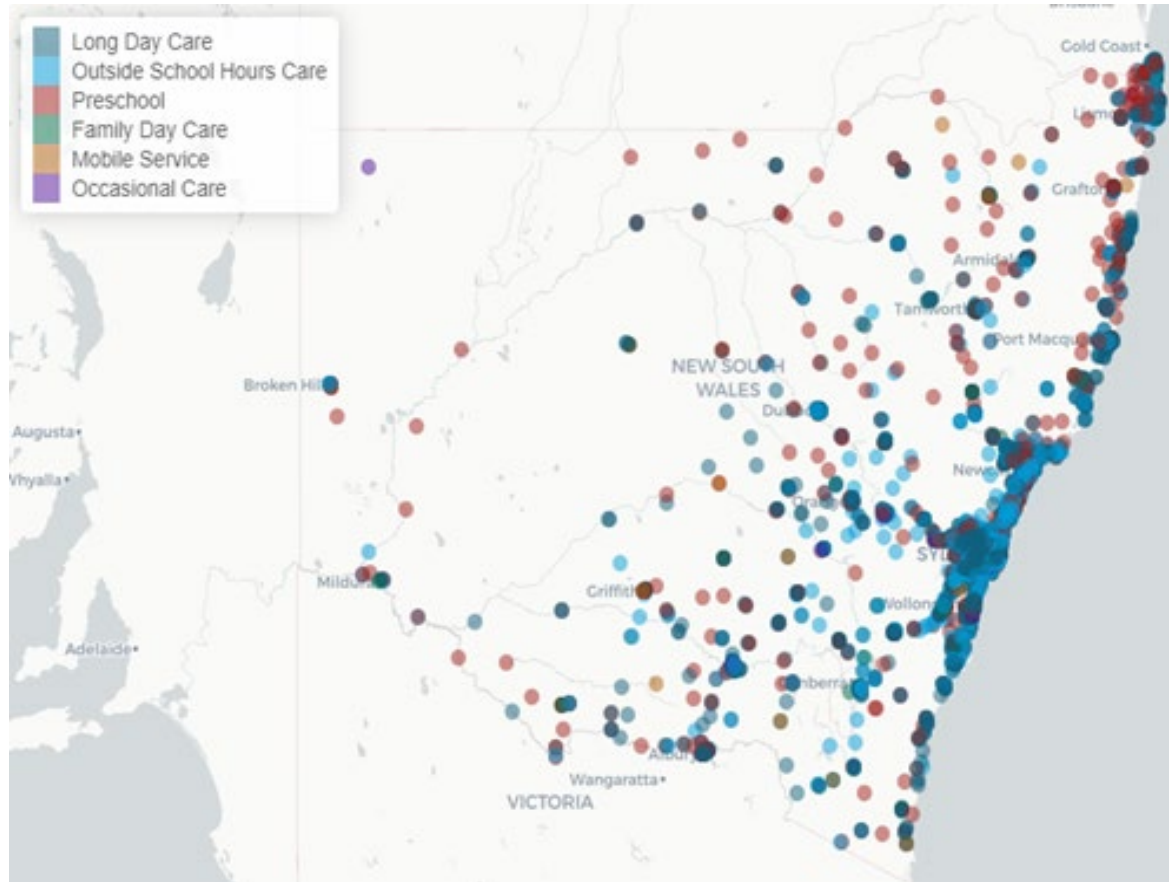


Children and family groups



Supply of services

Location of services in NSW



- Services are located across NSW and are generally concentrated in metropolitan areas
- Number of services has increased by 72% since December 2012, with most growth in:
 - long day care services
 - outside school hours care services

Factors affecting supply of services



Cost

- Costs of establishing a service may differ according to the type of service



Demand

- Understanding the demand for services helps providers match it with the supply of these services
 - Demand is dependent on many factors



Workforce

- Workforce shortages are currently having an impact on the supply of early childhood services



Provider costs and revenue
in delivering services

Common provider cost categories



Labour costs



Rental costs



Property maintenance and capital
investment costs

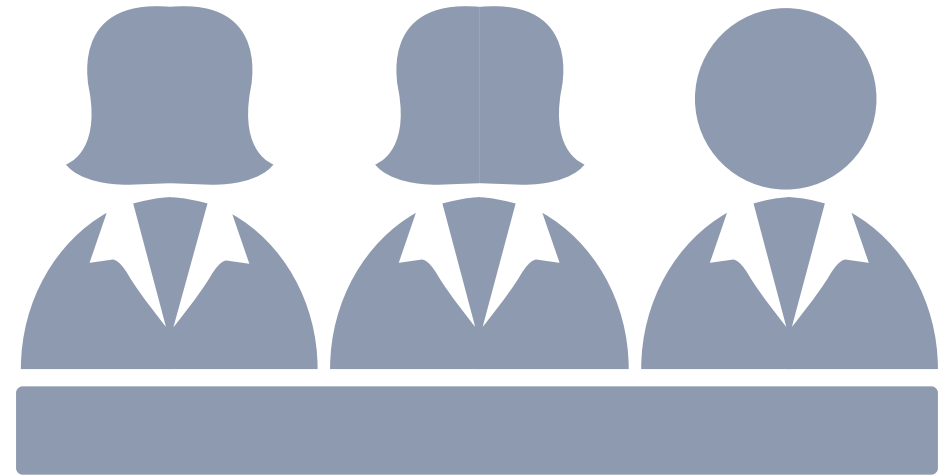


Administration and compliance costs



Purchases and consumables

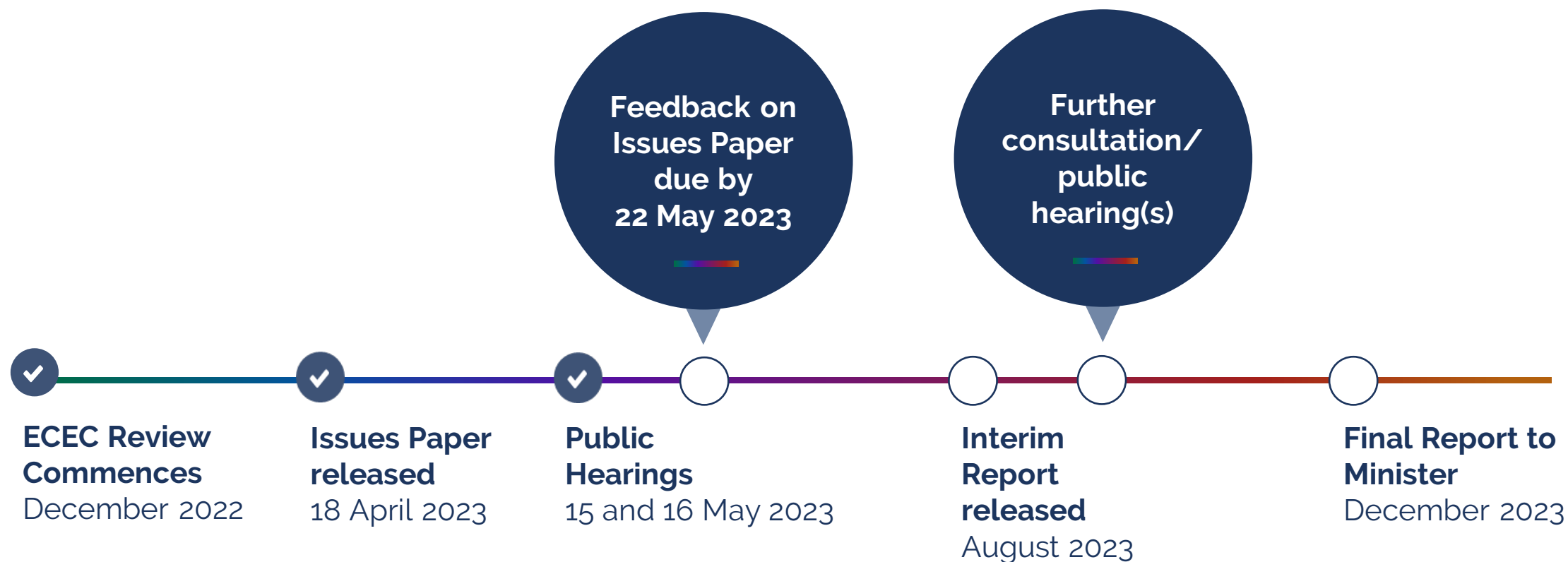
Q & A session





Closing remarks

Timeline for our review



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Visit our website

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