

Media release



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ACCC Childcare Inquiry Report welcomed as important contribution to reform agenda

Goodstart, Australia's largest not for profit provider of early learning and care, has welcomed the release of the final ACCC report on its inquiry into cost drivers, competition and fees in the early childhood education and care (ECEC) sector.

Goodstart spokesperson John Cherry said the report captured the major challenges facing families looking for affordable, high-quality care and for the not-for-profit services working to provide quality early learning in communities across Australia.

"This report acknowledges that the system works for most families but needs to do better to service the needs of families in 'under serviced' and 'not serviced' communities and makes an important contribution to the reform agenda as the Federal Government continues the work to provide universal affordable, high quality early childhood education and care for all Australian children.

"The ACCC finds that the 2023 Cheaper Childcare reform made a significant improvement to affordability for families. Our families on average enjoyed a 15% reduction in out of pocket costs in July, higher than the sector average of 11% identified by the ACCC," he said.

"Goodstart looks forward to engaging with the Productivity Commission and the Government as it further develops the pathway for reform of our sector.

"This is the tenth report in four years to Government to recommend changes to the activity test to help secure access to early learning for all children, regardless of the circumstances of their parents.

"This is particularly important for children living in vulnerable circumstances as the report finds families with lower activity test entitlements use a greater share of unsubsidised hours, leading to higher out-of-pocket expenses and potential affordability concerns.

"The ACCC confirms that workforce shortages are impacting on the supply and cost of places, and we agree that low pay and conditions in our sector must be addressed as a matter of urgency.

"We welcome the ACCC's acknowledgement of not-for-profit providers who are paying our teams above award wages and employing more of them in a full-time capacity – and that this results in not-for-profits having much lower staff turnover.

"The report also demonstrates the valuable role that the not for profit sector plays in delivering quality ECEC services, offering lower fees, higher quality, and better paid staff than most private providers.

"We look forward to engaging with the ACCC on new ways governments around the country could help to ensure children in underserved communities have access to quality early learning.

"The ACCC has identified broader reform issues that go to the heart of the role of government as the steward of delivering outcomes on access to more affordable, quality, inclusive early learning.

"These matters have also been canvassed in the draft report of the Productivity Commission inquiry into ECEC and we are developing a detailed submission on these broader reform issues and look forward to continuing to engage with the Government on the longer term reform agenda," Mr Cherry said.



For more information

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Notes for editors

Goodstart Early Learning is Australia's largest early learning provider with 665 centres nationwide. It is a not-for-profit social enterprise committed to improving the lives of Australia's children and their families. For more information, visit goodstart.org.au.

Acknowledgement of country

Goodstart acknowledges all Traditional Custodians across Australia and recognises First Nations peoples' continued cultural and spiritual connection to the land, sky and waterways that surround us. We pay our respects to Elders past, present and emerging.