

## 2 Long day care service provision

This chapter analyses data from the Child Care Censuses to provide a picture of the recent trends in long day care service provision, and characteristics of service provision in 1999. This overview includes trends from 1991 to 1999 in the number of licensed places, the availability of care for young children, the provision of preschool and outside school hours care services, hours of service operation, fees charged and vacancies. A comparison of long day care service provision in 1999 is provided for the various States and Territories. In some instances information is not provided for family day care services – this is because the information was not collected in the census since it was not relevant for these types of services.

### 2.1 Places

#### Long day care centres

The number of places that a centre has available for children to be placed in full-time care is a reflection of service size. One measure of the size (or capacity) of a long day care centre is the 'number of licensed places' available, which is equivalent to the maximum number of children a centre is licensed to have in care at any one time.

The number of child care places is regulated by State and Territory legislation and the maximum licensed capacity varies by jurisdiction. For example, in 1999, the maximum number of children allowed to be in care at any one time in centres in Queensland and the Northern Territory was 75, while in the Australian Capital Territory it was 90. In New South Wales the maximum number of places allowable was determined by the age of children, with only 30 children younger than 2 years of age and 60 children between 2 and 6 years of age allowed in a centre at any one time. In Western Australia and Tasmania there was no limit to the number of licensed places.

Centres can be classified as 'small' (fewer than 30 places), 'medium' (30–59 places), or 'large' (60 or more places). The size of a centre may affect the number or variety of activities that are run at the centre. Larger centres, for instance, may be in a better position to offer a wider range of activities and resources than smaller centres. Despite this, some parents prefer to place their children in smaller centres, since they consider them to be more 'home-like' and individualised (Prescott 1978 in Ozanne-Smith & Sebastian 1998:40). It has been suggested, however, that many centres with fewer than 35 places are not in the same position as larger centres to implement cost-saving measures, and may have difficulty keeping fees at affordable levels (SCARC 1998:44).

Data on the number of licensed places are available from 1992 to 1999 for private-for-profit and 'other' centres and from 1995 to 1999 for community-based centres. Over the period, private-for-profit centres had the highest proportion of centres that were 'large', but also the highest proportion of centres that were 'small'.

Between 1992 and 1999, the proportion of centres that were 'large' (with 60 or more children) grew, from 18% to 33% for private-for-profit centres, and 10% to 20% for 'other' centres (Table 2.1). For both types of centre there was a corresponding decrease between 1992 and 1997 in the proportion of centres that were 'small' (less than 30). For private-for-profit

centres, the fall in the proportion of small centres and the rise in the proportion of large centres predominantly occurred between 1993 and 1997, while for 'other' centres these changes occurred between 1995 and 1999.

**Table 2.1: Long day care centres by number of licensed places and type of centre, 1992, 1993, 1995, 1997 and 1999 (per cent)**

Type of centre	Places	1992	1993	1995	1997	1999
Community-based	< 30	n.a.	n.a.	11	9	9
	30–39	n.a.	n.a.	23	21	20
	40–49	n.a.	n.a.	40	37	34
	50–59	n.a.	n.a.	14	17	20
	60+	n.a.	n.a.	13	16	18
	Total	n.a.	n.a.	100	100	100
<b>Total (n)</b>		<b>n.a.</b>	<b>n.a.</b>	<b>1,053</b>	<b>1,063</b>	<b>1,016</b>
Private-for-profit	< 30	40	38	30	26	25
	30–39	21	20	22	20	19
	40–49	12	12	12	12	12
	50–59	8	8	9	10	10
	60+	18	22	26	32	33
	Total	100	100	100	100	100
<b>Total (n)</b>		<b>1,041</b>	<b>1,264</b>	<b>1,874</b>	<b>2,307</b>	<b>2,335</b>
'Other'	< 30	30	27	25	22	19
	30–39	25	27	22	21	22
	40–49	21	27	26	24	23
	50–59	14	12	17	16	16
	60+	10	7	10	17	20
	Total	100	100	100	100	100
<b>Total (n)</b>		<b>180</b>	<b>186</b>	<b>260</b>	<b>286</b>	<b>282</b>

Sources: DSHS 1994, 1995; DHFS 1997; AIHW analysis of FaCS Census of Child Care Services Unit Record File (1997, 1999).

There was a similar increase between 1995 and 1999 in the proportion of community-based centres that were 'large', with the proportion of centres that had 60 or more places increasing from 13% to 18%. However, over this period there was only a slight fall in the proportion of community-based centres that were small.

For all types of long day care centres, the increase in the proportion of large centres and the decrease in the proportion of small centres may have occurred for three reasons. Firstly, centres established since 1992 may have been larger than existing centres; secondly, existing centres may have added to their number of licensed places over the years; and thirdly, smaller centres may have closed due to an inability to remain competitive with larger centres or because they may have combined with other centres.

There were considerable variations between States and Territories in the size of centres in 1999 (Table 2.2). Centres in Queensland were more likely to be 'large', while those in New South Wales were more likely to be 'small'. For example, among private-for-profit centres, most centres in Queensland (71%) had 60 or more licensed places, and only a small minority (5%) had fewer than 30 places. In New South Wales just under half (48%) the centres had fewer than 30 licensed places, and only 7% had 60 or more places. The relatively small size of centres in New South Wales may be a reflection of New South Wales licensing regulations, which require centres with 30–39 licensed places to employ one qualified early childhood teacher, and those with between 40 and 59 places, two teachers.

**Table 2.2: Long day care centres by number of licensed places, type of centre and State/Territory, 1999 (per cent)**

Type of centre	Places	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
Community-based	< 30	9	4	4	18	12	23	20	0	9
	30–39	15	37	8	26	9	13	7	21	20
	40–49	49	17	35	20	20	10	53	53	34
	50–59	15	21	25	23	30	32	10	21	20
	60+	11	21	28	14	29	23	10	5	18
	Total	100	100	100	100	100	100	100	100	100
<b>Total (n)</b>		<b>382</b>	<b>253</b>	<b>141</b>	<b>74</b>	<b>86</b>	<b>31</b>	<b>30</b>	<b>19</b>	<b>1,016</b>
Private-for-profit	< 30	48	8	5	18	4	38	16	29	25
	30–39	23	14	5	57	10	31	5	29	19
	40–49	11	20	10	7	21	19	0	0	12
	50–59	10	14	9	9	15	6	11	0	10
	60+	7	44	71	9	49	6	68	43	33
	Total	100	100	100	100	100	100	100	100	100
<b>Total (n)</b>		<b>984</b>	<b>401</b>	<b>630</b>	<b>211</b>	<b>67</b>	<b>16</b>	<b>19</b>	<b>7</b>	<b>2,335</b>
'Other'	< 30	28	9	10	20	25	17	25	0	19
	30–39	22	25	3	47	19	0	20	38	22
	40–49	23	14	30	27	25	67	30	25	23
	50–59	18	22	13	7	13	0	5	13	16
	60+	9	30	43	0	19	17	20	25	20
	Total	100	100	100	100	100	100	100	100	100
<b>Total (n)</b>		<b>110</b>	<b>77</b>	<b>30</b>	<b>15</b>	<b>16</b>	<b>6</b>	<b>20</b>	<b>8</b>	<b>282</b>

Source: AIHW analysis of FaCS Census of Child Care Services Unit Record File (1999).

## Family day care schemes

Since family day care services are not licensed in every jurisdiction, the Child Care Census collected data on the 'funded places' held by each family day care scheme. In family day care the numbers of places approved for funding are known as 'equivalent full-time' places (EFT) where an EFT is usually 35 hours of care per week. An EFT may be divided between a number of children who receive care for a total of 35 hours per week or one child can occupy more than one EFT if the child uses family day care for more than 35 hours per week. Each family day care scheme has a number of EFT places, which are distributed between the family day care providers.

Numbers of equivalent full-time places per family day care scheme were much higher than numbers of licensed places per long day care centre. This is mainly due to the different organisational structure of family day care services. It reflects the scheme's ability to access and manage the services of many individual carers from a centralised location.

In the period 1992 to 1999 only a small proportion of family day care schemes had fewer than 40 EFT places – for example, 3% in 1999 (Table 2.4). Trends from 1992 to 1999 indicate a substantial growth in the size of family day care schemes, with the proportion of schemes with 160 or more places increasing from 27% to 57% over the period. Between 1995 and 1999 the proportion of schemes with 200 or more places increased from 25% to 37%. Data on schemes with 200 or more places is not available for 1992 and 1993, but it is likely that growth in the number of schemes of this size did occur over that period.

**Table 2.3: Family day care schemes by number of equivalent full-time (EFT) places, 1992, 1993, 1995, 1997 and 1999 (per cent)**

Number of EFTs	1992	1993	1995	1997	1999
< 40	1	2	3	4	3
40–79	23	19	17	13	11
80–119	22	20	15	11	12
120–159	27	26	21	18	18
160–199	27	32	19	20	20
200+	(a)	(a)	25	33	37
Total	100	100	100	100	100
<b>Total (n)</b>	<b>316</b>	<b>329</b>	<b>340</b>	<b>321</b>	<b>313</b>

(a) Schemes with 200+ places are included in the category '160–199' for 1992 and 1993.

Sources: DSHS 1994, 1995; DHFS 1997; AIHW analysis of FaCS Census of Child Care Services Unit Record File (1997, 1999).

Although by 1999 more than half of schemes Australia-wide had 160 or more places, there were some variations between the different jurisdictions (Table 2.4). The greatest variation in the size of schemes was in Queensland. South Australia tended to have large schemes—83% of family day care schemes in South Australia had 200 or more places. The relatively large size of schemes in South Australia may be due to the fact that the South Australian Government is the sponsor for all family day care in that state. Coordination of family day care therefore occurs at a more centralised level than in other jurisdictions.

The Northern Territory had the highest proportion of small schemes—50% of schemes (3 out of 6) had fewer than 80 places. This is probably due to the lower population density of the Northern Territory compared with other parts of the country.

**Table 2.4: Family day care schemes by number of equivalent full-time (EFT) places and State/Territory, 1999 (per cent)**

Number of EFTs	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
< 40	1	0	6	0	0	0	0	33	3
40–79	9	11	15	5	8	9	0	17	11
80–119	12	13	14	10	8	9	14	0	12
120–159	19	10	29	10	0	18	14	17	18
160–199	23	13	23	25	0	36	14	0	19
200+	37	54	13	50	83	27	57	33	37
Total	100	100	100	100	100	100	100	100	100
<b>Total (n)</b>	<b>102</b>	<b>71</b>	<b>84</b>	<b>20</b>	<b>12</b>	<b>11</b>	<b>7</b>	<b>6</b>	<b>313</b>

Source: AIHW analysis of FaCS Census of Child Care Services Unit Record File (1997, 1999).

## 2.2 Places for young children

Licensing requirements for long day care centres vary according to the age of children in care. In the early 1990s one issue of concern in relation to accessibility of child care services was the under-supply of long day care centre places for very young children, particularly children under 2 years of age. State and Territory licensing regulations require higher staff-child ratios and more space for babies than for younger children, making them more expensive to care for (Auditor-General 1994:47). One of the aims of the Commonwealth's 1994 New Growth Strategy was to increase the supply of long day care centre places for children under 2 years.

It would be useful to examine census data from the period 1991 to 1999 to determine if there has been an increase in the availability of places for young children. However, this is not possible because in most census years the data on places by age group are recorded in overlapping age categories, to some extent reflecting State and Territory licensing regulations. What is possible, however, is to examine changes between 1995 and 1999 in the proportions of centres in the States and Territories that have *any* places for children under 2 years.

Between 1995 and 1999, Australia-wide, there was an increase in the proportion of centres that had places for children under 2 years for all types of service providers (Table 2.5). Over the period, the proportion of centres that had places for 'young' children increased slightly for community-based and 'other' centres – from 91% to 93% and from 79% to 82% respectively. The increase was much greater, however, for private-for-profit centres, with the proportions increasing from 54% to 68%.

**Table 2.5: Percentage of centres with places for children under 2 years, by type of long day care centre and State/Territory, 1995 and 1999**

Type of centre	Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
Community-based	1995	83	96	93	96	95	97	96	100	91
	1999	86	97	97	99	100	100	97	100	93
Private-for-profit	1995	22	91	71	67	93	83	100	60	54
	1999	38	98	85	90	96	100	95	71	68
'Other'	1995	81	77	69	82	87	100	71	100	79
	1999	81	79	90	87	94	66	65	100	82

Source: Table A1.1.

There were considerable differences in the provision of places for children under 2 years between types of centres and across jurisdictions. Community-based centres were the most likely to have places for children aged less than 2 years in both 1995 and 1999.

Within each type of centre the allocation of places for children aged less than 2 years varied considerably by State and Territory. New South Wales tended to have a relatively low proportion of centres with places for young children. In 1999, for example, 38% of private-for-profit centres, 81% of 'other' centres and 86% of community-based centres provided care for children under 2. In South Australia, on the other hand, almost all types of centres had places for young children, with 94% of 'other' centres, 96% of private-for-profit centres and all community-based centres having places for children under 2.

The relatively low proportion of private-for-profit long day care centres in New South Wales with places for children under 2 years reflects the history of private-for-profit centres in that jurisdiction. Many of these centres were formerly private preschools (providing services for children aged 2-4 years) which extended their operating hours to qualify for funding as long day care centres (NSW Audit Office 1994:34).

## 2.3 Preschool and outside school hours care services

Long day care centres and family day care services were originally funded and/or licensed to provide 'long day care' for children under school age, but in recent years these services have changed considerably. Service providers have moved into a more flexible type of service provision in order to meet parents' and children's needs. A service provider funded and/or licensed as a long day care centre or a family day care provider may provide occasional care, a preschool program and/or care for school-age children. Long day care centres and family day care providers may also take children to attend a dedicated sessional preschool. These initiatives are reflected in the data on service provision – they are also reflected in the data on the use of services by children (see Chapter 3).

Since 1995, the census has collected information on whether long day care centres offered an in-house preschool program run by a qualified staff member and on whether centres or family day care providers took children to attend a dedicated sessional preschool service. In 1999, the census also collected information on whether long day care centres offered any places for school-age children in the census week.

In 1995, private-for-profit centres were more likely than community-based and 'other' centres to provide an in-house preschool program run by a staff member with early

childhood teaching qualifications or a 3-year tertiary qualifications in child care (Table 2.6). At this time, an in-house preschool program was provided by 48% of private-for-profit centres compared with 39% of community-based centres and 45% of 'other' centres. Between 1995 and 1999, however, the proportion of long day care centres running an in-house preschool program increased for both community-based and 'other' long day care centres, so that by 1999 around half of all long day care centres offered this type of service.

**Table 2.6: Percentage of long day care centres that offer an in-house preschool program and have a staff member with early childhood teaching qualifications or a 3-year diploma or bachelor's degree in child care, by type of centre and State/Territory, 1995, 1997 and 1999**

Type of centre	Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
Community-based	1995	62	23	49	9	21	10	56	14	39
	1997	83	31	51	11	23	6	50	8	50
	1999	78	47	44	7	14	6	50	0	50
Private-for-profit	1995	52	42	55	19	50	25	56	0	48
	1997	55	55	48	18	49	29	18	11	49
	1999	55	66	45	14	45	25	53	0	50
'Other'	1995	56	41	52	12	13	20	76	14	45
	1997	65	40	32	25	6	50	77	20	48
	1999	64	56	50	0	6	50	55	0	51

Source: Table A1.2.

There were considerable variations in the States and Territories in the extent to which long day care centres offered a preschool program, reflecting to some extent differences in the models of preschool provision in the jurisdictions. In 1999, a relatively high proportion of community-based and 'other' centres in New South Wales offered a preschool program run by a qualified teacher. This is partly explained by State licensing regulations, but it may also be partly attributed to market forces. Preschool programs run in long day care centres in New South Wales tend to be financially competitive with those run in sessional preschools because of the relatively high fees charged by most sessional preschools in that jurisdiction (NSW Audit Office 1994). In Victoria, the increase between 1995 and 1999 in the proportion of all types of centres running an in-house preschool program with a qualified teacher illustrates the effects of the funding incentives introduced by the Victorian Government for long day care centres to provide such programs (AIHW 1997:109).

Long day care centres were less likely to provide in-house preschool programs in jurisdictions where all funded sessional preschools do not charge fees and are located and integrated within primary schools. In 1999, only a relatively small proportion of long day care centres in Western Australia and none in the Northern Territory, for instance, provided an in-house preschool program.

The proportion of long day care centre providers Australia-wide taking children out to a dedicated sessional preschool was substantially lower than the proportion running an in-house preschool program in all the years under review (Table 2.7). By 1999, only 22% of private-for-profit centres, 18% of community-based centres and 11% of 'other' centres took children out to a sessional preschool. Between 1995 and 1999, the proportions taking children out to preschool increased slightly for private-for-profit centres and 'other' centres but remained unchanged for community-based centres. In each year, 'other' centres were less likely to take children out to preschool than were community-based and private-for-profit centres.

Jurisdictions in which a relatively high proportion of long day care centres ran a preschool program tended to have a relatively low proportion of centres taking children out to sessional preschools and vice-versa. Only a very small proportion of long day care centres in New South Wales, for instance, took children out to sessional preschools, while in Western Australia and the Northern Territory, the proportions were relatively high.

In 1999, 23% of family day care providers took children in their care to a sessional preschool, around the same proportion as in 1995 and 1997 (Table 2.7). The proportion of family day care providers taking children to preschool varied considerably in the jurisdictions, ranging from 9% in New South Wales to 44% in the Australian Capital Territory in 1999.

**Table 2.7: Percentage of long day care centres and family day care providers taking children to a dedicated sessional preschool, by type of service provider and State/Territory, 1995, 1997 and 1999**

Type of service provider	Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
Community-based centres	1995	2	31	14	31	33	23	28	55	18
	1997	1	25	14	27	36	23	27	58	17
	1999	1	23	21	46	43	13	27	53	18
Private-for-profit centres	1995	1	30	23	62	43	25	67	100	19
	1997	1	18	20	53	49	29	59	78	16
	1999	1	19	34	69	61	38	32	100	22
'Other' centres	1995	0	5	17	12	13	20	5	57	7
	1997	2	6	13	13	25	0	23	80	9
	1999	1	8	7	27	31	17	25	100	11
Family day care provider	1995	8	29	27	35	18	12	30	41	22
	1997	9	29	24	23	20	27	32	38	22
	1999	9	30	23	24	42	12	44	39	23

Source: Table A1.3.

In recent years, long day care centre providers have responded to parents' and children's needs by providing care for school-age children, with private-for-profit providers having been the most responsive to the demand for this type of care. Data from the 1999 Census (Table 2.8) show that, Australia-wide, around half (51%) of all private-for-profit long day care centres offered care for school age children in the census week compared with 14% of community-based centres and 13% of 'other' centres. For every type of centre, providers in Western Australia were more likely, and those in New South Wales and the Australian Capital Territory less likely, to offer outside school hours care in the census week. The tendency for long day care centres to offer care for school-age children probably also relates to the availability of specific outside school hours care services in the local area.



**Table 2.8: Percentage of long day care centres which report that they have outside school hours care places by type of centre and State/Territory, 1999**

Type of centre	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
Community-based	8	8	29	32	17	29	10	16	14
Private-for-profit	32	53	66	90	51	63	21	86	51
'Other'	11	9	10	33	13	67	10	25	13

Source: Table A1.4.

## 2.4 Hours of opening of long day care centres

As noted in Chapter 1, one of the aims and objectives of government support for child care services is to provide services that are accessible for parents. The census provides information on the number of hours that long day care centres operate, which is an indicator of service accessibility. In order to be eligible for Commonwealth support, long day care centres must operate on normal working days for at least 8 hours a day and 48 weeks in the year. Most centre-based long day care services, however, operate for more than 8 hours per day to meet the varying needs of parents. The questions on opening hours for long day care centres are virtually the same for each census year, so that data are comparable over time.

In the period from 1991 to 1999 the daily hours of operation of long day care centres increased (Table 2.9), with the proportion of services opening for 11 hours or more increasing for all types of service providers. This was most pronounced for private-for-profit services where the proportion of centres operating for 11 or more hours per day increased from 31% to 61% over the period. Although the proportion of all centres opening for less than 10 hours decreased over the period 1991 to 1999, the most marked drop was for community-based centres (from 15% to 6%).

By 1999, the proportion of centres opening for 11 or more hours per day was highest for private-for-profit centres (61% compared with 42% for community-based centres and 26% for 'other' centres). Community-based centres had the smallest proportion (6%) opening for less than 10 hours per day compared with 11% of private-for-profit and 18% of 'other' centres.

**Table 2.9: Daily hours of operation of long day care centres, by type of centre, 1991, 1992, 1993, 1995, 1997 and 1999 (per cent)**

Type of centre	Hours per day	1991	1992	1993	1995	1997	1999
Community-based	8-< 9	1	1	1	1	1	1
	9-< 10	14	9	7	6	4	5
	10-< 11	50	54	55	54	54	53
	11+	35	36	37	39	40	42
	Total	100	100	100	100	100	100
<b>Total (n)</b>		<b>947</b>	<b>948</b>	<b>1,025</b>	<b>1,053</b>	<b>1,063</b>	<b>1,016</b>
Private-for-profit	8-< 9	11	12	12	8	5	5
	9-< 10	13	13	11	9	7	6
	10-< 11	44	42	41	33	29	28
	11+	31	32	37	50	59	61
	Total	100	100	100	100	100	100
<b>Total (n)</b>		<b>835</b>	<b>1,041</b>	<b>1,264</b>	<b>1,873</b>	<b>2,307</b>	<b>2,335</b>
'Other'	8-< 9	7	14	9	7	6	7
	9-< 10	28	26	27	20	15	11
	10-< 11	49	42	45	51	52	55
	11+	16	17	18	23	27	26
	Total	100	100	100	100	100	100
<b>Total (n)</b>		<b>126</b>	<b>180</b>	<b>186</b>	<b>260</b>	<b>286</b>	<b>282</b>

Sources: DHHCS 1992; DSHS 1994, 1995; DHFS 1997; AIHW analysis of FaCS Census of Child Care Services Unit Record File (1997, 1999).

In 1999, for each type of long day care centre, there were considerable variations across the States and Territories in their hours of operation (Table 2.10). Among community-based centres, those in South Australia (57%), Victoria (56%) and Queensland (40%) were the most likely to stay open for 11 or more hours per day. The pattern was similar for private-for-profit centres. In South Australia 96% of private-for-profit centres stayed open for 11 or more hours per day, and in Victoria and Queensland the proportions were 86% and 85% respectively. For 'other' centres, Queensland had the highest proportion of services staying open for 11 hours or more per day (53%).

**Table 2.10: Daily hours of operation of long day care centres, by type of centre and State/Territory, 1999 (per cent)**

Type of centre	Hours per day	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
Community-based	8-< 9	1	0	1	1	0	3	0	0	1
	9- <10	4	2	6	8	1	13	30	5	5
	10-< 11	57	42	52	58	42	77	70	79	53
	11+	38	56	40	32	57	6	0	16	42
	Total	100	100	100	100	100	100	100	100	100
<b>Total (n)</b>		<b>382</b>	<b>253</b>	<b>141</b>	<b>74</b>	<b>86</b>	<b>31</b>	<b>30</b>	<b>19</b>	<b>1,016</b>
Private-for-profit	8-< 9	11	0	0	1	0	0	0	0	5
	9-<10	13	1	1	1	1	6	11	0	6
	10-< 11	44	13	14	21	3	75	89	57	28
	11+	32	86	85	78	96	19	0	43	61
	Total	100	100	100	100	100	100	100	100	100
<b>Total (n)</b>		<b>984</b>	<b>401</b>	<b>630</b>	<b>211</b>	<b>67</b>	<b>16</b>	<b>19</b>	<b>7</b>	<b>2,335</b>
'Other'	8-< 9	11	4	10	7	6	0	5	0	7
	9-< 10	8	18	0	13	0	17	25	0	11
	10-< 11	56	53	37	60	63	67	60	88	55
	11+	25	25	53	20	31	17	10	13	26
	Total	100	100	100	100	100	100	100	100	100
<b>Total (n)</b>		<b>110</b>	<b>77</b>	<b>30</b>	<b>15</b>	<b>16</b>	<b>6</b>	<b>20</b>	<b>8</b>	<b>282</b>

Source: AIHW analysis of FaCS Census of Child Care Services Unit Record File (1999).

In comparison, all types of centres in the Australian Capital Territory and Tasmania were less likely to open for 11 or more hours per day. In the Australian Capital Territory there were no community-based or private-for-profit centres staying open for 11 or more hours per day, and 10% of 'other' centres stayed open for these hours. In Tasmania the proportions staying open for 11 or more hours per day were 6%, 19% and 17% for community-based, private-for-profit and 'other' centres respectively.

Although most private-for-profit and community-based centres opened for at least 10 hours a day, 30% of community-based centres in the Australian Capital Territory opened for less than 10 hours a day, as did 24% of private-for-profit centres in New South Wales. Many of the New South Wales private-for-profit centres opening for relatively short hours would have formerly been sessional preschools that extended their hours to become eligible for Childcare Assistance (NSW Audit Office 1994). A relatively high proportion of 'other' centres in several jurisdictions were also likely to be open for less than 10 hours per day. Many of these were probably child care centres on TAFE campuses for students attending classes at the campus during normal working hours (9 am to 5 pm) and TAFE campus employees.

The census also asked a question on whether long day care centres opened during weekends, although these questions are not comparable over the census years. In 1999, less than 1% of centres opened at weekends.

No information was collected on 'hours of opening' for family day care services because of the nature of that service. However, information was collected on whether children in family day care were in 'overnight care' – between the hours of 8 pm and 6 am – during the census week. In 1999, 19% of family day care providers were caring for children during these hours.

## 2.5 Vacancies in long day care centres

The vacancy rate in long day care centres also provides an indicator of the accessibility of services, since it shows the relationship between the supply of and demand for care.

The census collects information about two types of vacancies in long day care centres – full-time (FT) and part-time (PT). A ‘full-time’ vacancy is defined as a place that is available for a full day throughout the whole week, and a ‘part-time’ vacancy is defined as a place that is available for part of the week. Due to differences in data definitions in the various census years, however, only data for the years 1995, 1997 and 1999 are examined for private-for-profit and ‘other’ centres and 1997 and 1999 for community-based centres.

In the second half of the 1990s, there was an increase in the proportion of all types of long day care centres with vacant places. Over the period 1995 to 1999, the proportion of private-for-profit centres with vacancies increased from 63% to 91% and the proportion of ‘other’ centres from 82% to 92%. There was a similar increase for community-based centres, with the proportion of centres with vacancies increasing from 85% to 93% between 1997 and 1999 (Table 2.11).

The considerable increase in the proportion of private-for-profit centres with vacancies was mainly due to an increase in the proportion of centres with both full-time and part-time vacancies, from 30% of centres in 1995 to 64% in 1999. A similar pattern is evident for community-based and ‘other’ centres. Over the period, there was a corresponding fall in the proportion of centres with only part-time vacancies and the proportion with no vacancies. For instance, from 1995 to 1999 the proportion of ‘other’ centres with only part-time vacancies fell from 43% to 21% and the proportion with no vacancies from 18% to 8%. By 1999 around two-thirds of all types of long day care centres had both full-time and part-time vacancies.

**Table 2.11: Long day care centres with vacant places, full-time (FT) and part-time (PT), by type of centre, 1995, 1997 and 1999 (per cent)**

Type of centre/Vacant places	1995	1997	1999
<b>Community-based</b>			
Vacancies	n.a.	85	93
FT and PT	n.a.	44	61
FT only	n.a.	7	6
PT only	n.a.	34	25
No vacancies	n.a.	15	7
Total	n.a.	100	100
<b>Total (n)</b>	<b>1,053</b>	<b>1,063</b>	<b>1,016</b>
<b>Private-for-profit</b>			
Vacancies	63	86	91
FT and PT	30	54	64
FT only	8	14	10
PT only	25	18	17
No vacancies	37	14	9
Total	100	100	100
<b>Total (n)</b>	<b>1,873</b>	<b>2,307</b>	<b>2,335</b>
<b>'Other'</b>			
Vacancies	82	87	92
FT and PT	35	48	64
FT only	4	7	7
PT only	43	32	21
No vacancies	18	13	8
Total	100	100	100
<b>Total (n)</b>	<b>260</b>	<b>286</b>	<b>282</b>

*Note:* Data refer to vacancies in 'licensed' places.

*Sources:* DHFS 1997; AIHW analysis of FaCS Census of Child Care Services Unit Record File (1997, 1999).

In 1999, the proportion of centres with vacancies varied across the States and Territories. The lowest proportions of centres with vacancies were in New South Wales. New South Wales had vacancy rates of 84% for private-for-profit centres and 87% for community-based and 'other' centres, compared with a national average of 91%, 93% and 92% respectively (Table 2.12). The Northern Territory also had a relatively low proportion of centres with vacancies, but the results are based on a small number of service providers. All long day care centres in Tasmania and almost all long day care centres in Western Australia had vacancies.

**Table 2.12: Long day care centres with vacant places, full-time (FT) and part-time (PT), by type of centre and State/Territory, 1999 (per cent)**

Type of centre/Vacant places	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
<b>Community-based</b>									
Vacancies	87	95	96	99	98	100	93	89	93
FT and PT	49	68	71	66	71	81	50	63	61
FT only	8	4	5	4	9	3	3	5	6
PT only	29	24	21	28	17	16	40	21	25
No vacancies	13	5	4	1	2	0	7	11	7
Total	100	100	100	100	100	100	100	100	100
<b>Total (n)</b>	<b>382</b>	<b>253</b>	<b>141</b>	<b>74</b>	<b>86</b>	<b>31</b>	<b>30</b>	<b>19</b>	<b>1,016</b>
<b>Private-for-profit</b>									
Vacancies	84	96	98	99	94	100	79	86	91
FT and PT	49	71	75	83	76	69	53	57	64
FT only	12	12	9	3	9	0	5	14	10
PT only	23	13	13	12	9	31	21	14	17
No vacancies	16	4	2	1	6	0	21	14	9
Total	100	100	100	100	100	100	100	100	100
<b>Total (n)</b>	<b>984</b>	<b>401</b>	<b>630</b>	<b>211</b>	<b>67</b>	<b>16</b>	<b>19</b>	<b>7</b>	<b>2,335</b>
<b>'Other'</b>									
Vacancies	87	95	97	100	100	100	90	75	92
FT and PT	50	69	73	87	88	83	60	75	64
FT only	7	10	7	0	6	0	5	0	7
PT only	30	16	17	13	6	17	25	0	21
No vacancies	13	5	3	0	0	0	10	25	8
Total	100	100	100	100	100	100	100	100	100
<b>Total (n)</b>	<b>110</b>	<b>77</b>	<b>30</b>	<b>15</b>	<b>16</b>	<b>6</b>	<b>20</b>	<b>8</b>	<b>282</b>

Source: AIHW analysis of FaCS Census of Child Care Services Unit Record File (1999).

Increases in the number of centres with vacant places between 1995 and 1999 are consistent with trends in utilisation rates over the period. In 1995 the average utilisation rate of long day care centres (measured by 'total child hours paid for as a percentage of total capacity') was 90%. This proportion had dropped to 80% by 1997 and 71% by 1999 (FaCS 2000a:12-13).

Increases in vacancy rates and falls in utilisation rates could indicate that there was an improvement in the accessibility of services over this period, i.e. the demand for child care was met and there was an over-supply of places. Since parents' demand for care is affected by the affordability of care, however, it is likely that these trends can partly be attributed to the decline in the affordability of care over the period (see Section 2.6), which indicates a decline in the accessibility of care. Utilisation rates increased following the introduction of the Child Care Benefit which improved the affordability of care (AIHW 2001a:170).

## 2.6 Fees charged

As noted, another of the aims and objectives of government support for child care is to provide services that are affordable for parents. Information on fees charged by service providers was collected for all types of service providers in each of the census years. Since some centre-based long day care providers charged different fees for children of different ages, for the purpose of comparability between service providers, census data refer to the

'average weekly fees' charged. In examining trends in average fees for long day care centres over time, it is important to note that somewhat different methods were used to obtain these data in the various years (AIHW 1998:17). Data on 'average weekly fees' charged by private-for-profit and 'other' centres are not available for 1991.

Between 1992 and 1999 average weekly fees for long day care increased more than the Consumer Price Index (CPI). Average weekly fees increased by 45% for community-based centres (Table 2.13), 44% for private-for-profit centres, and 36% for 'other' centres, compared with an increase in the CPI of 14%. Family day care fees rose least over the period, increasing by 30%.

**Table 2.13: Mean full-time 'average fee' charged per week by type of service provider, 1991, 1992, 1993, 1995, 1997 and 1999 (\$)**

Type of service provider	1991	1992	1993	1995	1997	1999
Community-based centres	106	118	126	139	163	171
Private-for-profit centres	n.a.	116	124	142	155	167
'Other' centres	n.a.	119	129	138	156	162
Family day care (including administrative levy)	103	107	116	122	130	139
Childcare Assistance ceiling fee	100	103	108.50	112.50	115	117
CPI at 30 June	106.0	107.3	109.3	116.2	120.2	122.3

Sources: DHHCS 1992; DSHS 1994, 1995; DHFS 1997; AIHW analysis of FaCS Census of Child Care Services Unit Record File (1997, 1999).

Australia-wide, community-based centres charged the highest average weekly fee (\$171 per week) in 1999, and family day care services charged the lowest (\$139 per week). There was considerable variation between the jurisdictions in the fees charged, for all types of service provider. Fees in the Australian Capital Territory, Tasmania and New South Wales tended to be higher than the national average, and fees in the Northern Territory and Queensland tended to be lower (Table 2.14).

**Table 2.14: Mean full-time 'average weekly fee' charged by type of service provider and State/Territory, 1999 (\$)**

Types of service provider	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
Community-based centres	178	169	156	164	172	177	182	156	171
Private-for-profit centres	171	166	158	155	168	182	173	150	167
'Other' centres	169	161	152	156	164	173	184	151	162
Family day care (including administrative levy)	149	128	127	151	161	160	163	134	139

Source: AIHW analysis of FaCS Census of Child Care Services Unit Record File (1999).

Although it is evident that fees have increased considerably over the period under review, fees charged by service providers do not necessarily indicate the cost of child care for parents, as the Commonwealth Government provides assistance to make child care services more affordable for families (AIHW 1997:123). In order to examine changes in affordability, increases in fees need to be examined in conjunction with changes in the level of assistance provided by the Commonwealth Government.

The long day care rate of Childcare Assistance (formerly called 'fee relief') which was provided by the Commonwealth Government between 1984 and 2000, was an income-tested payment which reduced fees for low- and middle-income families using Commonwealth-supported long day care services. From July 1994 until July 2000, the Commonwealth also

provided the Childcare Rebate to assist parents with the costs of work-related child care. In July 2000 both Childcare Assistance and the Childcare Rebate were replaced by the Childcare Benefit (AIHW 2001a).

Childcare Assistance was set at a proportion of a 'ceiling fee'. All eligible families paid a portion of the 'ceiling fee' plus the difference between the 'ceiling fee' and the fee charged by the service provider, known as the 'gap fee' (AIHW 1999:117-18). Families with children in work-related care could then claim the Childcare Rebate on the 'gap fee'. The 'ceiling fee' was indexed (increased by the CPI) in most (but not all) years between 1991 and 1999 and was increased by an additional amount above indexation between 1992 and 1993.

In 1992, a relatively large proportion of long day care service providers charged no 'gap fee', i.e., their average weekly fees were at or below the 'ceiling fee' (Table 2.15). Families eligible for Childcare Assistance who used their services thus paid only a portion of the 'ceiling fee'. Between 1992 and 1999, however, reflecting the fact that average weekly fees increased well above inflation, the proportion of service providers with no 'gap fee' fell markedly, particularly for private-for-profit centres and family day care services. More than half of family day care schemes (58%) had no 'gap fee' in 1992, but the proportion had fallen to 5% in 1999. Child care services clearly became more costly for low- and middle-income families receiving Childcare Assistance, since fee increases outstripped increases in government assistance (see also FaCS 1999c:9).

**Table 2.15: Percentage of long day care service providers with no 'gap fee', 1991, 1992, 1993, 1995, 1997 and 1999**

Type of service provider	1991	1992	1993	1995	1997	1999
Community-based centres	40	18	10	4	1	< 0.5
Private-for-profit centres	n.a.	23	12	4	1	1
'Other' centres	n.a.	23	13	15	9	4
Family day care (including administrative levy)	52	58	43	18	37	5

Sources: DHHCS 1992; DSHS 1994, 1995; DHFS 1997; AIHW analysis of FaCS Census of Child Care Services Unit Record File (1997, 1999).

These data are consistent with other AIHW analyses of child care affordability, which show that long day care became less affordable for families between 1991 and 1998 (AIHW 2001c). This analysis also shows that child care affordability improved greatly with the introduction of the Child Care Benefit in July 2000.

In the AIHW analysis 'child care costs (fees charged less government assistance) as a proportion of disposable income' was used as the indicator of child care affordability (AIHW 2001a: 171). This indicator, however, overstates improvements in affordability at the time Child Care Benefit was introduced. One of the reasons child care costs fell relative to disposable income is that disposable incomes were increased to compensate families for the effects of the introduction of a goods and services tax (GST). Because purchasing power was reduced with the introduction of the GST, the increases in disposable income (and thus in child care affordability) were not generally as great as they appear. Affordability might not have improved at all, however, if the new tax system had applied the GST to child care fees.