

2019

# QUARTERLY INDICATORS Q1

AUSTRALIAN CHILD CARE BENCHMARK SUMMARY 2019

Australia's occupancy average has seen a 5% decline since July 2018, primarily due to centres making the shift to session rates.

Competition is expected to continue to increase in the coming year, putting downward pressure on occupancy and an increasing need to maintain strong cost controls.

Key takeaways:

- 21% of services nationally are failing the NQS.
- The average RevPAP for Australia reduced to \$75, which equates to a 6.25% decrease in the industry from last quarter.
- FDC services saw a 9% decrease from 716 total services down to 653. This is primarily due to the latest legislation changes in July 2018.
- The total number of services approved to operate under the NQF remained at 15,787.
- Centre based care in Australia grew from 15,071 centres to 15,134.



Market	Occupancy	ADR	RevPAP
AUSTRALIA	74%	\$102	\$75
NSW	75%	\$107	\$80
Sydney	75%	\$112	\$84
VIC	79%	\$90	\$71
Melbourne	83%	\$95	\$79
QLD	73%	\$105	\$77
Brisbane	73%	\$107	\$78
SA, TAS, WA, ACT	69%	\$85	\$59

TABLE: Long Day Care Performance Indicators (January 2019) Xplor Data

### Indicators Summary

The Average Daily Rate (ADR) nationally was reportedly \$102, with the highest average rate being reported in Sydney at \$112. At 100% occupancy with an average of 244 operational days, services nationally reported that they would generate an average of approximately \$25k per place (per annum), with the highest average being reported in Sydney at \$28k per place (per annum).

At the reported 74% occupancy, the average annual revenue per available place nationally came in at \$19.6k per place (per annum).

Services nationally reported an average of 75 places, with the largest services reportedly in Victoria with 94 places. The average revenue potential at 100%

occupancy across Australia was \$1.9m, but this varied considerably up to \$2.6m in Melbourne.

Services in each state face different challenges, but all will require differentiation of some form to remain competitive and reach their centre's potential.

### 'RevPAP' Ratio

Multiplying the ADR by the Occupancy provides a ratio that can be utilised to quickly measure operator 'health'. Relevancy of this ratio increases after 24 months of operation when most services are running at peak capacity.

For further information, or access to the full Benchmark Report, please contact [tanika@myxplor.com](mailto:tanika@myxplor.com)