

Australians are paying more for childcare than mortgages and food, leading to calls for action ^[1]

Author: Scarr, Lanai

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AVAILABILITY

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EXCERPTS

Childcare costs are driving Australian families to breaking point with an exclusive survey for News Corp Australia finding close to 40 per cent are paying more than or equal to their mortgage in out of pocket payments each week.

Close to a third are paying double their grocery bills - after the government rebate - and one in five are paying triple their weekly grocery shop.

Alarming 34 per cent of respondents in the survey conducted for News Corp Australia by The Parenthood said they have been late paying their bills, mortgage or rent because of childcare.

A total of 21 per cent of respondents say they are basically working to pay for childcare with 57 per cent only marginally better off working.

Today News Corp Australia will shine a light on the pain parents are enduring to send their children to childcare and look at ways we can reform our "broken system".

Despite the recently legislated changes to childcare to come into force in July 2018, which are a great first step, many hardworking professional families say childcare costs will still cripple their weekly budget and the system needs further root and branch reform.

Close to half of Australian families surveyed are being charged \$101-\$125 a day for childcare with one in five paying more than that - up to \$200 a day.

Two thirds believe the cost of childcare is holding them back in their career and some families are even putting off having more children because they cannot afford huge childcare fees.

Some are racking up enormous debts on their credit cards just to keep up with childcare costs.

News Corp Australia has also brought together some of Australia's most successful women to discuss motherhood, working and how we can see Australia's maternal workforce participation increased.

Childcare is the "heartland issue" the women including former Governor-general Quentin Bryce said and a consideration of a tax-deductible system or school-like investment in childcare should be on the table.

OECD figures show that Australia's maternal employment rate has remained stuck at around 64 per cent since 2008, well below many comparable countries.

Maternal employment participation rates are 20 percentage points higher in Sweden and 4.2 percentage points higher in the UK.

Over the last 15 years the cost of childcare has increased much more rapidly than inflation or wage growth.

According to the Australian Bureau of Statistics from March 2002 to March 2017 wages grew by 63.3 per cent while childcare costs increased by 95.4 per cent.

From 2012 to 2017 wages increased by 12.6 per cent while childcare costs increased by 44.3 per cent.

Official Department of Education data shows for the 2016-17 financial year, 62,233 families reached the \$7500 Child Care Rebate cap up from 51,138 families in 2015-16 - a 21.6 per cent increase. However, once tax returns are reconciled the department projects 94,000 families would have hit the cap for the 2016/17 FY and have been paying the full childcare cost out of pocket.

Nicole Lessio, acting executive director of The Parenthood ^[3], said childcare costs were pushing parents to "breaking point".

"We should be investigating all options to make it more affordable including enabling fees to be salary sacrificed or used as tax deductions," Ms Lessio said.

John Cherry, advocacy manager at Goodstart Early Learning - Australia's largest childcare provider - said childcare was much more expensive than it should be because of under investment by the government.

"We think early learning was the missing chapter of Gonski," Mr Cherry said.

"The 22 per cent of children who don't get good access to early learning because of cost restrictions are the same 22 per cent that start behind in their schooling, that get lower NAPLAN scores, that struggle in high school and that don't get a job later on in life. It's that serious."

WHAT AUSSIE FAMILIES SAY

A Sydney mum said the changes to childcare will make her family worse off and she cried when they were announced.

"Yes, we have a high household taxable income. About \$350,000 - \$100,00 is my salary, as a working mother. After tax and \$60,000 in childcare, I'll be working 50 hours a week to bring home about \$14,000 per year.

"My partner has a base of \$150,000 and \$100,000 is a performance-based bonus. Of this bonus, if he gets one each year, 50 per cent of that is paid in shares that cannot be touched for 2 years. But it all counts as income and puts us over the threshold.

"We pay a lot in tax yet will get absolutely nothing back to offset the time we spend away from our children.

"We aren't wanting more than what we budgeted for under the existing rebates. Had we known these changes were coming, we would never have had children. It's that serious.

"We don't live a lavish lifestyle at all. We simply survive. Now that's sad."

A mother from Brisbane said she couldn't afford to work full-time and believed childcare costs were holding back her career.

"I originally didn't think childcare costs were too high, but when I factored in going back to full time work, then later adding a second child in care and reaching the rebate cap, I realised it's crazy.

"So I work part-time. And my husband's career? It can just go from strength to strength."

Staying home to look after the kids is a financial imperative for a Melbourne mum, who said her family couldn't afford childcare.

"I know of families who have decided to have mum stay home to look after the children and unfortunately these women are kept out of the workforce for between six to eight years.

"They then have to ready themselves to look for a job, which would not be easy. These are accomplished women who made what seems to be the career-fatal error of having children."

-reprinted from The Daily Telegraph

Region: Australia and New Zealand ^[4]

Tags: fees ^[5]

income ^[6]

mother's labour force participation ^[7]

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