

Cost of childcare soars with parents paying up to \$200 a day^[1]

Author: Marsha, Stuart

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EXCERPTS

Parents in Sydney are paying up to \$200 a day for early childcare at some centres, prompting calls for a parliamentary inquiry into costs for new parents.

High rental costs for centres, along with government red tape and staff-to-child ratios, are all being blamed for the rising costs.

Latest figures published by the Productivity Commission show that Sydney is the second most expensive city in the country for childcare, with parents on average paying \$494 for 50 hours of childcare a week.

The median weekly cost for 50 hours of long day care increased 2.8 percent from 2017, now sitting at a national average of \$460 a week.

The most expensive state was the ACT, where the cost of 50 hours of long day care was an astonishing \$560 a week.

In Victoria parents are paying a state average of \$490 a week, while in QLD parents are forking out \$417 a week.

Prices are similar around the rest of the states, with Western Australia (\$475), South Australia (\$458) and Tasmania (\$429) all breaking the \$400 mark.

The dollar figures listed do not account for the Government's child care subsidy, and are listed before the Child Care Rebate is taken into account.

According to the report, the subsidy had a dramatic impact on helping low-income families put their kids through early education.

"Nationally in 2018, child care subsidies reduced the out of pocket costs for 30 hours of day care for all family income categories," the report read.

"However, the subsidies had a greater impact (as a proportion of family income) for lower income families, reducing the variation in the child care costs across income categories."

Minister for Education Dan Tehan told 9news.com.au that the subsidy was working.

"Our Government's Child Care Subsidy is driving down out-of-pocket costs for parents," Mr Tehan said.

"Out-of-pocket child care costs for families have reduced by more than ten per cent in the last six months, according to the Australian Bureau of Statistics.

"As the Productivity Commission noted: Nationally in 2018, child care subsidies reduced the out-of-pocket costs for 30 hours of day care for all family income categories."

The figures have prompted Australian Childcare Alliance NSW to call for a review into the cost of long day care at both a federal and state level.

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Region: Australia and New Zealand^[3]

Source URL (modified on 27 Jan 2022): <https://childcarecanada.org/documents/child-care-news/19/02/cost-childcare-soars-parents-paying-200-day>
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