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Child care centre terminates places after mothers query $20 a day fee rise [1]

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EXCERPTS

Two families who say they were booted out of a Canberra child care centre after questioning a $20 a day fee rise are still waiting for their bonds to be returned, and calling for more regulation of the sector.

Teacher Kylie Moller says her family is owed about $896, which also includes a bond, normally about two weeks' fees, from a previous enrolment at the 92-place privately owned Macquarie Childcare Centre.

Both Ms Moller and public servant Amanda Bektas, who is owed about $672, have been told it would take eight weeks to get their bonds back to allow Centrelink to adjust rebates. But Centrelink has told the women that this is not the case.

They had previously been asked to top up their bonds to account for the fee rise. Not all centres have bonds and they appear to be at the discretion of the centre.

The two women had separately queried the fee rise but say they met a brick wall from management which told them that as a private business it did not have to justify the increase, and terminated their children's enrolments.

“There will be no discussions, as this is a business and as such we don't need to respond or provide you with any explanations for the current fee increase,” owner Annamaria French told Ms Bektas in an email.

“As you appear to be very unhappy with the situation, I suggest you find a more suitable childcare centre for your child. As of Monday 5/8/19, your child's placement will be cancelled at Macquarie Childcare. Your BOND will be refunded after the obligatory 8 week period for Centrelink to adjust all your rebates.”

But a federal Education Department spokesperson confirmed that Centrelink had no responsibility for bonds, saying fee charging practices, including bond arrangements, were commercial decisions made by child care providers and were not regulated under Family Assistance Law.

“The Department of Human Services (Centrelink) is only responsible for calculating a family's Child Care Subsidy entitlement and paying the subsidy to a service on behalf of a family,” the spokesperson said.

“State and territory government consumer protection agencies are responsible for ensuring compliance with Australian Consumer Law in their jurisdiction.”

Ms Bektas, whose daughter attended three days, was not given any notice, but Ms Moller, whose four-year-old daughter went four days, received two weeks' notice, because she had been able to sight the centre's policies.

Ms Bektas had tried to inspect the centre's policy documents but was refused because her child's enrolment had already been terminated, while Ms Moller was able to look at them but only at the centre and under supervision.

Ms Moller, who wanted to know what parents could expect to see from the fee rise, was told that it would cover staff wage rises, extra running costs and ‘improvements'.

They have since found places for their children, although Ms Bektas and her husband had to take days off work to care for their two-year-old daughter until they located a place at another centre nearby, where only two days were available.

Ms Bektas says other parents have been afraid to speak out since the terminations.

The issue comes to light as child care centres around the country jack up fees only months since the Federal Government introduced its single rebate system last year, providing greater assistance for families.

In February, the Productivity Commission said Canberrans were paying the highest rates in the country, with ACT residents forking out a median amount of $560 a week for 50 hours of long day care, and $510 a week for family day care.

Long day care at Macquarie is now $132 a day, up from the $112 a day Ms Bektas and Ms Moller were paying, but both women believe the 18 per cent fee rise is excessive and that they had a right to question it.

“The new child care subsidy is supposed to be making child care more affordable, which it was and then all of a sudden the child care centre puts its fees up,” Ms Bektas said.

There is no suggestion that the quality of care is sub-standard at the Macquarie centre or that the children were unhappy there.

Both women have contacted the Education Directorate, the office of Fair Trading, and Centrelink. Ms Bektas said the Directorate was investigating the termination but not the bond issue. Fair Trading had initially told her there was nothing it could do about the bond but it is now looking at the case.

She has also taken her concerns to ACT Education Minister Yvette Berry.

Ms Moller has lodged an official complaint with the regulator and remains frustrated at the arbitrary nature of the fee rise and the lack of recourse.

She says that after sighting the policy documents, the centre is in breach of both its grievance and termination of care policies.

She accused the centres of double dipping in the wake of the new rebate system.

“They’re getting more money from the Government and increasing fees for parents and we just have no recourse,” she said.

“Centres can do what they like, charge what they like and working parents just have to suck that up and pay it or you don’t have care.”

Ms Moller has had three children at the centre since 2013 and it was a disappointing end to the relationship.

“We’re not suggesting that child care centres shouldn’t make profits, however profits to this extent are just exorbitant, and to be treated with such contempt on the back of being long-time customers is disgraceful,” Ms Moller said.

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