

# Melbourne childcare providers say they need urgent clarity and support from government <sup>[1]</sup>

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## EXCERPTS

With less than 48 hours until childcare attendance rates are set to plummet in Melbourne, providers say they need urgent clarity and support from the state and federal governments.

From Thursday 6 July, only parents from “defined industries” will be allowed to send their children to childcare, as part of Melbourne’s stage four lockdowns. But there has been no word on which families will qualify, and what government support will be available to providers.

“We are essentially at this point stumbling around in the semi-darkness,” said Ruth Harper, a coordinator at East-West Childcare in Fitzroy.

“It’s impossible to plan without any real clarity of how many kids we’re likely to have. And, until we get some clarity around the funding, it’s impossible to know how we’re going to pay our staff. We are in a bit of a catch-22.”

The federal education minister, Dan Tehan, fronted media on Tuesday afternoon but said the federal government would need confirmation on which workers would qualify for childcare from Victoria’s government before he could make any announcements on funding.

“All options are on the table. We’re going to continue those discussions this afternoon, and my hope is that we’ll be able to announce something tomorrow, which will provide certainty for the sector for the next six weeks and beyond,” he said.

But providers said they were worried this was cutting it extremely close to the deadline.

“No one has come along and said, you know, ‘we will make up the difference [in fees]’ or ‘this is what will happen’. We are supposed to make changes Thursday and it’s Tuesday,” Harper said.

Unlike many other industries that will be required to shut down or drastically reduce staff as part of the new lockdowns, the childcare sector does not have access to jobseeker.

Originally, around 40% of the industry was ineligible for the scheme, so when the free childcare system ended in July, the federal government replaced jobkeeper with a “transitional payment”, intended to be more equitable. This was around 25% of a centre’s total income per week in exchange for the provider agreeing to maintain the same number of employees.

However, many providers received significantly less funding with this new scheme. This hardship was compounded in Melbourne by stage three lockdowns, which saw a significant portion of children stop attending centres, and the subsequent loss of the “gap fees” from their families.

Now, with the vast majority of children set to be barred from attending, providers such as Harper are unsure how they will stay afloat.

“I’m probably not allowed to use the words that accurately describe how it feels. It feels, sadly, completely unsurprising,” she said.

Before the pandemic, Harper’s centre cared for 25 children. Now it could have as few as three, just 12% capacity.

“Two-thirds of our income is from gap fees and 80% of our outgoings is paying staff, so the mess we are in is pretty obvious,” she said.

The Victorian premier, Daniel Andrews, said a team was working to create a list of workers who could access childcare, but this has yet to be released. Many questions remained unanswered, including whether both parents must be essential workers in order to be eligible for childcare.

“This is exactly the point we’re trying to clarify ... It’s about trying to work out what the impact will be. How many kids will be going to childcare? How many childcare workers will need to move around the community?” he said.

“I don’t want to give people false hope. There will be a lot of people who would normally send their kids to childcare who will not be able to do that and I know that will hurt.”

Julie Price, the chief executive of the Community Child Care Association, says her members want the federal government to provide an additional payment of 15% of total income. This is the same support package offered to Melbourne afterschool care providers when primary schools were shut down.

“With that extra support and the small amount of fees that [remaining] families would be paying, services would be able to move through the next six weeks – probably eating a little into their reserves, but they’d be OK,” Price said.

The childcare industry is very diverse, but Price said generally the two support payments plus the normal childcare subsidy would equate to around 80% of a provider’s normal income.

But on Tuesday Tehan indicated a blanket approach to support may not be appropriate. He suggested some providers may drop below 10% attendance, while those that service more essential workers, such as centres near hospitals, will barely be impacted.

Harper said half the struggle this week had been trying to comfort panicking parents.

“We emailed parents in response to the announcement Sunday and just said, ‘Look, we don’t know any more. We’ll let you know as soon as we know’... There’s a lot of that support that we need to be doing and we just can’t do any of it until we know what the parameters are.”

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