

There is a simple path to affordable childcare in Australia. Does Labor have the courage to take it? ^[1]

A radical redesign of the funding system will ensure money isn't siphoned off by the corporations sucking from the government teat

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EXCERPTS

Cheaper childcare? Who wouldn't want that? After fee increases of over 40% in the last eight years it is clearly very much needed. Nods of approval all around as the Albanese government ushers in a new bill promising cheaper childcare this week.

Aren't we lucky to now have a government that understands the importance of accessible, low-cost quality education and care? That made it a priority both in their election campaign and in their legislative program? Prioritising the education and care of our youngest citizens is so very, very right.

So, cheaper childcare. Yay!

But cheaper for whom? In the 2021 financial year, the Australian government spent \$10.1bn on early education and care. The states and territories spent another \$2.3bn. That works out at about \$8,458 per child or \$12.4bn of taxpayers' money every year.

To deliver "cheaper childcare" even more money must be poured in. Another \$5.4bn a year. What if instead of just pouring more money into a system that is clearly incapable of delivering at a reasonable cost, we radically redesigned that funding system?

After all, Anthony Albanese isn't the only prime minister who has promised to cut the cost of care for families. Morrison did before him; his government delivered the childcare subsidy system we currently have – you know, the one that failed to deliver cheap enough childcare.

So, what would a radical redesign look like?

How about we go for a redesign where our teachers and educators get wages commensurate with their skills and importance, where we don't duplicate funding systems by the states and territories and the commonwealth, where families don't have to sell their firstborn child to afford care, and where money isn't siphoned off by the spivs and corporations sucking from the government funding teat?

Would that be too much to ask?

Funding services rather than the families that use them. Direct funding would give governments a powerful lever to control what those services charge families. And wait, isn't there a model a bit like that for older children? (I think they are called schools ...)

Make it illegal to make a profit from government funding. Too radical? No school can receive federal education funding unless they are not-for-profit. (What about private schools, you ask? Why do you think private schools have such lavish grounds and facilities? Their surpluses must be reinvested back into their school.)

The government buys the premises education and care is delivered from and becomes the landlord. Developers and landlords make a motza out of renting premises to services under inflated lucrative leases with guaranteed rent increases above market rates. (After all, it is governments who own the premises that education for older children is delivered from.)

Just one level of government is responsible for funding all of education and care. We currently have a crazy mishmash of systems where states fund services called preschools with money they get from the federal government while the commonwealth funds the families who use education and care services with other names. (Why? Because under our constitution, states and territories are responsible for the delivery of education, leaving the commonwealth responsible for the care part.)

Duplicating the school system isn't the only way to deliver cost-effective early education and care, but there are strong precedents there for doing almost everything that needs to be done to reduce the cost of the system to our country.

Region: Australia and New Zealand ^[3]

Tags: child care ^[4]

affordability ^[5]

funding ^[6]

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