

# Clash over soaring cost of child care [AU] <sup>[1]</sup>

National, Herald Sun

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## AVAILABILITY

See text below.

## EXCERPTS

First it was petrol prices, now the Rudd Government admits it can do little to keep childcare fees down.

Taxpayer-funded rebates to parents could be whittled away as childcare centres threaten fee rises of up to 10 per cent.

Treasurer Wayne Swan said yesterday the Government had few options to prevent childcare fee rises.

"I don't think there are a large number of means that are automatically available to us," Mr Swan said.

"We'll take what action we can to ensure that increases in prices are reasonable.

"But there are limits to Commonwealth power in this area."

...

The Government will lift the childcare rebate to parents from 30 per cent to 50 per cent from July.

Education Minister Julia Gillard, who has responsibility for child care, warned providers against profiteering from the extra money in the system.

She said the Government would "canvass all options within its power" if there were unfair price rises. But under repeated questioning in Parliament, she refused to say what those options were.

"We are talking at this stage about working with industry to ensure that any price increases are legitimate reflections of increased cost," she said.

Opposition childcare spokesman Tony Abbott said Ms Gillard's threats were hollow.

"They seem to be threatening to reduce the subsidies of childcare centres which have excessive price rises," he said.

"Either this is a bluff, or it means the parents who most need the subsidy won't get it."

The nation's biggest childcare provider, ABC Learning, is reviewing its pricing structure and has refused to rule out fee rises of 10 per cent.

Price rises of up to 6 per cent, or about \$4.20 a day, are expected in most other centres from July.

Childcare Associations Australia said it was standard practice for providers to raise their fees each year.

Under the rebate changes, parents will be able to claim \$7500 a year, up from \$4354.

- reprinted from the Herald Sun

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