

Loan scheme on offer for child care ^[1]

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EXCERPTS

Buy now, pay later. It used to apply to fridges and televisions, but now parents can get child care on loan.

Australia's biggest chain of private child care centres, ABC Learning, is offering finance to help parents meet rising fees.

It will lend parents up to \$4000 for each child, equivalent to the maximum value of the Federal Government's 30 per cent child care rebate.

This rebate will not be paid until after parents have completed tax returns for the 2005-06 financial year, so ABC Learning will stump up the money and give parents until September 2006 to pay it back.

If they fail to do so, interest will be charged on the outstanding amount.

While the first 14 months are interest-free, child care industry representatives are worried parents may run up debts. It is also concerned the ABC Learning deal is being offered to parents who may be ineligible for the rebate.

"Parents need to understand they may sustain a debt they will not be able to pay," the president of the Childcare Associations of Australia, Anne Clark, said.

A prime-time television advertising campaign is pitching the deal to parents, and ABC Learning child care centres have been told to promote the offer.

The company's chief executive, Eddy Groves, said parents were paying more for child care because of a decision in the Industrial Relations Commission to increase wages for child care workers.

That decision covers only people working in Victoria and the ACT; parents with children in ABC Learning centres in Queensland have reported fee rises of between 25 per cent and 45 per cent this year.

- reprinted from the Sydney Morning Herald

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