

Childcare costs are a labour of love ^[1]

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EXCERPTS.

Childcare costs are a burden most working families must budget for, but there are ways to minimize the outlay, which can add up to thousands of dollars a year.

The latest Australian Bureau of Statistics figures show that the average weekly cost of having a child in formal day care is \$53.

But, if both parents work full time and the child is in formal care for 40 hours or more a week, that cost can blow out to more than \$140 a week after taking into account the Federal Government's childcare benefit and childcare rebate.

However, there can be huge differences in the cost of childcare between states and cities around Australia.

The founder of budgeting website simplesavings.com.au, Fiona Lippey, says there are other options to formal child care, but the first step for parents with young children is to do the sums.

"You have to work out the numbers," says Lippey, a mother of four with what she describes as a "huge" weekly childcare bill.

"You have to work out how much you're actually going to take home if you return to work after work expenses, the car you probably need to get there, the clothes you need, the sick leave and such when kids are sick and you still have to pay childcare bills and then there's the childcare benefit sliding scale.

"People often think they're getting extra money (by going back to work) but you lose it on the swings and roundabouts."

Lippey says some of the other options for working families, rather than costly formal childcare arrangements, are sharing a nanny with friends or relatives, grandparents who also may be eligible for government assistance if they care for grandchildren or sharing care arrangements with a friend who is also returning to work.

"There are ways of getting around it (childcare costs) but you have to add up whether it's even worth it," she says.

Kate Sykes, founder of the working parents website careermums.com.au, says the huge cost of child care is a key factor keeping many mothers out of the workforce.

She says that even when taking into account government assistance, in some cities childcare costs can climb to as much as \$120 a day. She says the childcare rebate, which is capped at \$7500 a child, can be exceeded very quickly by full-time working parents.

A recent survey conducted by careermums.com.au found that working parents were using a mixture of childcare options to keep weekly expenses under control, including grandparents, friends and some formal care.

She says another option to reduce childcare costs is more flexible working arrangements whether that means longer but fewer days, working from home or other alternatives.

"We recommend that women review their organisation's flexible work policy before going on parental leave and discuss possible flexible work options with management," she says.

"Typically, it is much easier for women to negotiate flexibility with their employer when coming back from their parental leave."

-reprinted from Herald Sun

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