

# Tighter rules put childcare centres out of business <sup>[1]</sup>

**Author:** Dunlevy, Sue

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EXCERPTS

Childcare operators have begun to sell off their businesses to avoid a barrage of new fines and regulations that are expected to force fees up by an average \$13 per child per day, more than 20 times what the government had predicted.

Kerry Lada, who ran the Hardy's Road Early Childhood Centre at Mudgeeraba on the Gold Coast for 12 years, sold up two weeks ago. "It was too hard, I was going to have to increase fees by at least \$13 a day," she said.

Under national reforms to start on January 1 childcare centres will have to decrease the ratio of babies to carers from various state-mandated levels to four to one.

The full cost will not be felt until 2016, when centres will have to be hiring one staff member for every five children aged 25 to 35 months, and one carer for every 11 children aged three to school age.

Ms Lada said her 55-place centre would have had to drop eight childcare places or hire two extra staff next year as a result of the new regulations.

Nerida Campbell, who trained as a teacher and has two young children, runs a centre in Katanning, Western Australia.

She said she could not find the extra qualified staff she needed to meet the regulations in a rural area and her fees would have to rise by \$10 a day next year.

"In the next six months we'll be thinking about selling," Ms Campbell said.

Staff who had worked in childcare for years were also considering resigning ahead of new regulations that will make staff and centres subject to fines if they did not meet new standards, Ms Lada said.

Childcare Minister Kate Ellis insists independent modelling from Access Economics shows the reforms will have a minimal cost impact of just 57c per child a day in 2012 and \$8.67 in 2014-15.

But a new survey of 414 private and community-based childcare centres shows operators will raise their fees by an average of \$13 a day after the new regulations are introduced.

One in five of those surveyed was contemplating rises of \$25 a day.

The survey found 70 per cent of proprietors were not fully aware of their responsibilities under the new laws and 64 per cent said they would have to cut the number of places they offered.

-reprinted from The Australian

**Region:** Australia and New Zealand <sup>[2]</sup>

**Tags:** legislation & regulation <sup>[3]</sup>

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[1] <https://childcarecanada.org/documents/child-care-news/11/06/tighter-rules-put-childcare-centres-out-business> [2]

<https://childcarecanada.org/category/region/australia-and-new-zealand> [3] <https://childcarecanada.org/category/tags/legislation-regulation>