

# Childcare rates to hit \$100 a day amid new care regulations <sup>[1]</sup>

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## EXCERPTS:

PARENTS have been warned to brace for childcare costs of more than \$100 per child a day, as the industry accuses the State Government of breaking a pledge to slow the start of onerous new regulations.

Childcare SA president Kerry Mahony said many centres were at risk of going broke because of new reforms being pushed by Canberra.

The reforms are backed by the State Government and reduce available places.

The Federal Government reforms require more staff and increased training.

The industry says the State Government has back-flipped on a pledge to delay the most expensive aspects of the changes from 2016 to 2020.

Some operators say the daily costs could leap from about \$80 to \$110 by 2016.

For a family with two children, that could mean a weekly bill of more than \$1000. Both the federal and state governments, however, dispute the size of predicted cost increases.

Mr Mahony said the sector had been misled by Education and Child Development Minister Grace Portolesi, who made "very specific" and "absolutely unqualified" promises to help keep costs down.

"We feel tricked," he told *adelaidenow*. "It will make a very significant difference in the cost."

The hottest dispute surrounds a demand that the ratio of carers for two and three-year-olds be doubled from 1:10 to 1:5 by 2016, which the industry says will skyrocket staff costs.

There are also requirements for more staff with diploma and certificate three-level education.

Federal Childcare Minister Kate Ellis said she was "absolutely committed to lifting the quality of childcare across Australia" as "every parent deserves peace of mind when they drop their child off".

She said childcare costs for families had fallen since 2004, as the Federal Government increased rebates to half of all approved out-of-pocket expenses up to a maximum of \$7500 a child a year.

"A review of the National Quality Framework will be undertaken in 2014, to see how the reforms are tracking and how the framework can be improved," she said.

Mr Mahony said that increased costs would "definitely" result in some centres going broke and increased the risk of parents seeking to leave children in cheap and unregulated backyard care.

Ms Portolesi said she was willing to meet again with the industry. She said she had raised the concerns with interstate colleagues, who had agreed to consider them as part of next year's national review of the childcare reform process.

"Many childcare providers already meet the ratio and qualifications requirements that will need to be in place from 2016," Ms Portolesi said.

"Should there remain considerable issues for the sector, these will be considered as part of the national review.

"Representatives from Childcare SA, the community childcare sector and I met ... to discuss transitional issues in 2012.

"I am happy to arrange similar meetings in 2013."

Liberal MP Martin Hamilton-Smith formerly ran a group of six childcare centres and has moved for a State Parliament inquiry into "the crisis of childcare affordability and viability".

"I think the Government has lost sight of the balance between affordability and quality," he said.

"They have erred too far towards over-regulation, red tape and bureaucracy."

Stepping Stone Childcare director George Skrembos said the changes were "choking" the sector.

Mr Skrembos said it was vital the Government hold to earlier promises on the timeline for implementation.

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