

Increasing out-of-pocket costs for childcare putting pressure on parents ^[1]

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EXCERPTS

Childcare subsidies are failing to keep up with the rising cost of childcare fees, leaving Australian parents up to \$10,000 a year out-of-pocket.

New analysis of childcare subsidies by Early Childhood Australia shows families in all income ranges are feeling the pinch, with a lower percentage of their childcare fees being subsidised today than in the past. And the trend is set to continue into 2016.

The analysis, provided to The Courier-Mail, found that a family with an income of [AU] \$35,000 had 81 per cent of their childcare costs covered in 2009, with that figure projected to drop to 74 per cent by 2016.

A family with an income of \$115,000 had 58 per cent of their childcare costs covered in 2009, with that figure projected to drop to 48 per cent by 2016.

A family with an income of \$235,000 had 50 per cent of their childcare costs in 2009, with that figure projected to drop to 36 per cent by 2016.

Early Childhood Australia CEO Samantha Page said increasing out-of-pocket costs were making it harder for women to return to work after having children.

"We want parents to be able to make a choice about the work they take on without feeling they can't afford to go back to work," she said.

"We also don't want children to miss out on quality early learning; it can really make a difference to long-term educational outcomes."

"I can't think of many other areas where investment is better justified, in terms of the social and economic benefits."

Workplace Gender Equality Agency spokesperson Clare Buttner said the current system worked as a disincentive, with some mothers receiving no additional income if they worked longer hours.

"Affordable and accessible childcare will encourage more mothers back to work, and deliver increased national productivity," she said.

In its submission to the Productivity Commission Inquiry into Child Care, Early Childhood Australia will propose a simplified model that would merge CCB and CCR into one payment to services, remove the \$7500 cap and provide greater assistance to low and middle-income families.

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- reprinted from the Courier Mail

Region: Australia and New Zealand ^[2]

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