

# Calls for change as childcare costs push parents out of work<sup>[1]</sup>

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## AVAILABILITY

Full broadcast online<sup>[2]</sup>

### Transcript:

SARAH FERGUSON, PRESENTER: More than a quarter of a million Australians who say they'd like to be in paid work are choosing to stay at home and look after their children. Most of them, unsurprisingly, are women. They nominate the cost of childcare and the lack of availability as the reasons why they drop out of the paid workforce. There are calls to simplify government childcare payments now, make the sector more accountable for the money it receives and allow families the option to claim nannies as a tax deduction. Political correspondent Sabra Lane reports.

SABRA LANE, REPORTER: Parents, employers, workers and childcare groups all agree: Australia's childcare system is broken and in need of an overhaul.

For parents like Lucie Trinko, the cost is prohibitive.

LUCIE TRINKO: Affordable daycare - I just don't think there is such a thing in this country, sadly, which makes it hard, you know, and you've got to really love what you do to be able to pay everything you make to go into childcare. I'm lucky that I'm in that scenario, but there's a lot of people that aren't and I can understand why they make the decision not to go back to work. It's a much easier one.

SABRA LANE: Brisbane father of three, Alex Wells, is an exception to the rule. Most parents who opt out of the paid workforce are women.

ALEX WELLS: There is no affordable childcare. I've yet to see anything vaguely in the realms of stuff - something that we can afford long-term. ... We're looking at \$80 a day for my youngest - he's four - so there's \$400 a week, so \$800 a fortnight. We're looking at \$15 for my other two, per hour, for after-school care, until, say, 6 o'clock in the afternoon, which is another \$450 a week. Who can afford that? Really? I mean, nobody - well, people do make that much money, but even if I went out to work, I would be paying all of it to the childcare. May as well stay home.

SABRA LANE: Recent figures from the Bureau of Statistics show more than a quarter of a million parents like Alex Wells have chosen to stay at home to care for their children. Around a third of that group say they want to be the main care-giver, and another quarter say it's too hard to find a centre with available places that's close to home and is open at the right times.

ALEX WELLS: I get to spend time with my kids, which is great. Ordinarily, I'd never get to do that. But my previous salary was about \$1,500 clear a fortnight, and all of it would just be going. So, if I stay home, I get tax benefit, which - it's not ideal, but basically I get \$800 a week to stay home and look after my kids, which is almost as good as working, but nowhere near.

SABRA LANE: The McMahon Liberal Federal Government started funding childcare in 1972. In those days, funding was given only to not-for-profit centres. The Commonwealth's now the largest funder of the sector, paying \$5 billion a year, the same amount it's proposing for its paid parental leave scheme.

EVA COX, CHILDCARE ADVOCATE: If the Government is serious, which it appears to be, with paid parental leave, and it appears to be if it's got an inquiry into childcare, it has to take seriously the fact that this is an example of market failure and they actually have to intervene.

SABRA LANE: The Federal Government's asked the Productivity Commission to review childcare and early childhood learning. It's received more than 1,000 comments and submissions.

It's also expected the Commission of Audit, which has been reviewing government spending, has already made recommendations to the Government on reforming the system of childcare payments, because even for the professionals, it's very complicated to explain.

There's the means-tested childcare benefit, which varies depending on the number of kids in care as well as the type of care and hours used. There's also the non-means-tested childcare rebate, which is capped at \$7,500 per year, per child to cover up to 50 per cent of out-of-pocket expenses.

SAMANTHA PAGE, EARLY CHILDHOOD AUSTRALIA: Fundamentally, the subsidies do cover a little over 50 per cent of the cost for most families, which is a significant help, but it's almost impossible for families to work out exactly what they're entitled to before they actually

have a child at a centre.

SABRA LANE: Early Childhood Australia, a peak not-for-profit organisation, wants the payments streamlined into one.

SAMANTHA PAGE: We are suggesting that it be means tested, not that it be means tested and people be cut off altogether, but that it be means tested and tapered down to a lower rate for higher income families. Essentially that would mean that low income families would have about 90 per cent of their costs covered and high income families down to about 30 per cent of their costs covered.

SABRA LANE: Eva Cox campaigned for government childcare support in the early '70s. She says the system needs a radical overhaul, enabling direct government funding of centres with conditions attached to ensure facilities are affordable, of a high standard, are located in the right places and have flexible opening times.

EVA COX: If you're serious about having a service that meets the needs of children, parents and the labour market to throw that in as well, then you've got to take some control. They do it with the - with aged care. You know, why would you hand over \$5 billion in subsidising fees like a voucher without having control in the product? It doesn't even make sense. It doesn't make sense in market forces terms.

SABRA LANE: Sydney mother Lucie Trinko has three daughters. She runs a business and has struggled to find suitable care, especially when the girls have been young and she's resorted to using a nanny.

LUCIE TRINKO: I'm a really big believer in making private nannies affordable for every family. We have it two days a week and that's all I can afford, but it's - you know, you're paying between \$25 and \$35 an hour for a trained - someone who's trained to look after children which, for me, with small children, is such an amazing benefit and it allows the flexibility of early mornings or late nights, but that's not affordable for every family.

EVA COX: I've got a problem with nannies because I think people become very vulnerable when they work in people's households without any outside supervision. I don't have a problem with, say, a service providing some after-hours care, which maybe a worker goes home with the children and waits till the parents can turn up. It tends to be more expensive, so it'll go much more for the high income earners.

SABRA LANE: While Australia ranks number one in the World Economic Forum's Global Gender Gap Report in educating women, it ranks 52nd out of 136 nations in female workforce participation rates.

Lawyer Louise McBride argues if the Government's serious about boosting participation in the workforce and their positions in power, nannies must be part of the solution to enable women to keep working through their 30s and 40s and beyond 5.30 at night.

LOUISE MCBRIDE, LAWYER: If I go to work and I'm earning a taxable income and then I'm employing somebody and I'm going to pay tax on their salary, I am going to pay holiday pay and they get superannuated - so it's a proper job - I cannot see why that is not a tax-deductible expense to me. Because I cannot go to work unless there is some person in place to look after my child. And the nine-to-five offering of childcare systems is just not suitable for a lot of women.

EVA COX: It should never be tax deductible because it means that the higher your income, the more you get back on it and that's definitely unfair.

SABRA LANE: The Productivity Commission's report will be handed to the Government at the end of October.

SARAH FERGUSON: Sabra Lane reporting.

**Region:** Australia and New Zealand <sup>[3]</sup>

**Tags:** mother's labour force participation <sup>[4]</sup>  
work/life balance <sup>[5]</sup>

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