

Childcare quality does not drive up costs: study^[1]

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EXCERPTS

Factors like rent are having at least as much, if not more influence on childcare fees than quality standards, a new analysis has shown.

A report by the peak children's body Early Childhood Australia has found that high-quality childcare services are charging as little as \$40 a day while low-quality ones are charging up to \$140.

The analysis compared the assessment ratings of more than 2200 long-day care services around Australia for children between three and four, to their daily fees published on the federal government's MyChild website. It showed that there was a wide variation in fees across all the ratings under the national quality standards, which rate services in four levels from "exceeding" the standard to "significant improvement required".

The quality framework was introduced in 2012 under the Gillard government and includes lower child-to-carer ratios and new requirements for staff qualifications. While it enjoys bipartisan support, concerns have been raised that the quality standards will decrease affordability for families.

The minister responsible for childcare Sussan Ley has said that fees have increased by \$5 to \$20 a day under the framework. This is disputed by Labor, which points to an August 2013 Department of Education report that finds the framework is being rolled out "without any significant increase in fees".

Question marks over the quality framework have continued in the Productivity Commission's July draft report into childcare, which suggested that child-to-carer ratios and carer qualifications could be watered down.

The Early Childhood Australia report shows that the bulk of services surveyed charge between \$71 and \$100 a day. Of the 556 centres who were "exceeding" the standard, 18 per cent charged between \$40 and \$70 a day, 42 per cent charged between \$71 and \$85 a day and 28 per cent charged between \$86 and \$100.

Of the 861 centres "working towards" the standard, 28 per cent charged between \$40 and \$70, 47 per cent charged between \$71 and \$85 and 19 per cent charged between \$86 and \$100.

Early Childhood Australia chief executive Samantha Page said the results "indicate that higher daily fees are not obviously or strongly correlated with higher-quality assessment ratings."

She said services charging higher daily fees tended to be in metropolitan areas where commercial costs like rent were significant. "Many of the high-quality services with relatively low fees were in regional areas," she said.

For example, according to MyChild, the Giraffe Early Learning Centre in Mosman in Sydney charges \$128 per day for three to four-year-olds and is rated as "meeting" the standards, while the

Region: Australia and New Zealand^[3]

Tags: quality^[4]

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