

Childcare funding proposals may hit families they aimed to help ^[1]

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EXCERPTS

Most families will be worse off if proposed changes to childcare funding are adopted, new modelling shows.

The detailed analysis by Goodstart Early Learning shows low-income earners will be among thousands of Australian families worse off if the Federal Government adopts the Productivity Commission's recommended changes.

But average income earners with a child in care five days a week could see an increase in their benefits.

The proposed system would see families paid a set rate per hour for each child in care, with the amount paid dependent on the family's income.

But there are fears the benchmark price the commission has used for its funding model - between \$72 and \$74 per day depending on the age of the child - is significantly lower than the actual prices being paid for childcare, particularly in big cities.

Goodstart Early Learning chief executive Julia Davison said the location of the centres affected the prices.

"Centres in metropolitan areas, particularly inner metropolitan areas, have higher property costs, and as a result must set higher fees," she said.

"The proposed model creates a geographic lottery where the childcare assistance a family receives from the Government would depend not just on their income, but where their centre is."

The Sunday Herald Sun called dozens of childcare centres in the Melbourne metropolitan area this week but was unable to find one that charged less than \$75 per day.

The most expensive - in Brighton - charged \$150 a day, while a centre in Sunshine charged \$75.

The analysis shows middle-income families with children in care five days a week would be the big winners under the system, indicating it could be beneficial for mothers wanting to return to work full-time.

This is because the existing system caps the childcare rebate at \$7500 per child per year, while the proposed system would have no cap.

Samta Pandya, who sends her three-year-old to childcare for the full week while she's working, welcomed the proposed changes.

"I have no family in Australia, so it'd really help us to have a little bit more money coming in," she said.

But most families with children in care three days a week would lose money.

Grant Wallace, father of two-year-old twins Aiden and Sienna, said the proposal would make life harder.

"Having twins made it doubly hard because we hadn't factored two kids into our finances," he said.

"If these changes were to go ahead, my wife might have to stop working some days, meaning our income would go down."

Childcare operators and education groups fear the changes could leave some families thousands of dollars worse off each year.

Jo Briskey, executive director of advocacy group The Parenthood, said the organisation was not happy with the proposal.

"We appreciate that they were trying to support families of lower income but their proposal leaves some of those families actually worse off," she said.

"People forget that childcare is the beginning of a child's education - it needs to be funded as such."

Social Services Minister Scott Morrison will consider the commission's report before deciding on changes to the childcare funding system.

"The Productivity Report is a report to the Government and not from Government," he said.

CHILDCARE WAITING LISTS REVEALED

Australian childcare centres would be forced to make their waiting lists public if recommendations from the Productivity Commission

went ahead.

The report argued families would be better able to plan childcare if they could see their place on a waiting list.

The commission found some families were putting their children on up to 10 waiting lists, at a cost of up to \$100 for each list they were on.

The Sunday Herald Sun contacted 45 childcare centres around Melbourne, with more than 75 per cent having waiting lists.

The most expensive application fee was \$90 at a Brighton centre with an approximate waiting time of one-and-a-half to two years.

The centre was also the most expensive at \$150 per child per day.

One Yarraville childcare had no cost, but parents could wait up to three years for their child to be placed.

While most centres have private lists, the City of Port Phillip has a centralised list for 12 of the childcares in the area.

Parents list the organisations by preference and can remain on the wait list if they are offered one of their lower preferences.

The proposal also suggests scrapping the priority waiting list system where single-parent families, indigenous families and non-English-speaking families are put ahead of others.

Children at risk of abuse or neglect would continue to be supported by at-risk programs.

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