



COMMUNITY CHILD CARE

ABN 90 494 504 678

Ground Floor 48 High Street Northcote Victoria 3070

Telephone 03 9486 3455 ☎ Fax 03 9486 3271 ☎ E-mail recept@cccinc.org.au

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CHILD CARE NOT TAX CUTS – THE NEED FOR FEDERAL INVESTMENT IN HIGH QUALITY CHILD CARE

Jackie Kelly, Federal Government Member from Western Sydney is right in calling for the Federal Government to scrap its child-care system and start from scratch. (Melbourne Sunday Age, January 15) But the Government should take care not get it wrong again. While welcoming Jackie Kelly's call for a cohesive and integrated children's services system and a totally fresh look, Community Child Care Victoria and the National Association of Community Based Children's Services, believe her solution is flawed. Kelly's proposal to fund employers so that working women can better afford child care may be part of the solution but it will not address the more fundamental problems of availability and affordability for families on middle and low incomes.

The major problem with Australia's child care system is that there are not enough services where families need them and many families cannot afford the cost of quality services.

NACBCS and CCC agree with Kelly that the \$12 billion government surplus would be far better spent on child care than as tax cuts but Australia needs investment in a sustainable system of child care that ordinary families can afford. Salary packaging does not address these serious problems. Child care is more than simply a labour market initiative; rather it is about providing high quality and affordable care that provides developmental and educational experiences for children.

Ms Kelly points out that the Government will be spending \$9 billion of taxpayers' money on child care over the next 4 years. What will Australian families get for this? One shareholder company, ABC Learning Centres is forecasting to make a profit of \$88 million in the next financial year from these taxpayer funds (Business Age 2005). This money is not being invested in a sustainable system nor making child care more affordable - fees have gone up as shareholder returns have increased and private companies profits soared. These for profit companies don't go to where need might be greatest but only where a profit can be made.

NACBCS calls on the Federal Government to provide funds for the development of new services that are not for profit but community based and with the prime purpose being to provide high quality child care not returns to shareholders. The new child care rebate should be rolled into a revised fee support system (Child Care Assistance) that will ensure affordability for all families.

Addressing service availability through growing community based services and addressing affordability will help all families with young children. Salary sacrificing may be an add-on to encourage employers to support higher wage workers with children but it cannot be the prime underpinnings of a universally available and accessible high quality child care system. Ms Kelly's recognition of the crisis in child care is welcomed but the solution requires addressing the fundamental problems.

FOR FURTHER INFORMATION CONTACT:

Lynne Wannan, Chairperson, CCC 0418 556 724

Barbara Romeril, Executive Director, CCC 0407 948 634

www.cccinc.org.au