

# Australian Childcare Alliance



**Child Care Reality (CCR) for  
Parents  
BUDGET SURVEY  
MAY 2011**



The Australian Childcare Alliance represents 70% of all long day child care centres across Australia and its staff who care for more than 400,000 children

# Executive Summary

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## **This survey has found that:**

- Regardless of the number or age of their children, families are not prepared to compromise on the importance of affordable, high quality, reliable long day care – 98% say it is not just important but very important.
- Means testing of the Child Care Rebate will have a significant impact – 70% say it will have a significant impact and a further 20% say it will have some impact.
- Families with children aged 0-3 in long day care will be most significantly impacted (82%), as will those with more than one child in long day care (75%) and families in NSW (74%).
- Very few families (5%) can afford to absorb any further increase in the costs of long day care.

# Executive Summary (cont'd)

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- Increases would force a variety of actions on most families, including:
  - Withdrawal of children from care (33%);
  - Giving up work (23%, especially for those with younger or multiple children in long day care);
  - Reduced hours (18%, especially for those with multiple children in long day care);
  - Reduced expenditure (17%); and
  - It would even force some families to reconsider having further children (4%).
- More than one in five families (22%) will be affected by a reduction in the number of hours that a child of a family with one parent, not in the workforce, can access Child Care Benefits hours.
- Limiting “stay at home mums” from accessing the Child Care Rebate will affect more than one in four (27%) families.
- Families are so dissatisfied and frustrated with the proposed changes that one in four would be prepared to speak to the media about it.

***“Things are hard enough without having to stretch the household budget any further. I need to work. Please don't jeopardise this!”***

# Survey Aims

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To determine the attitudes of parents whose children attend long day care centres to:

- The importance of affordable, high quality, reliable long day child care.
- Means testing on the Child Care Rebate.
- Ability to absorb any further increases in the costs of long day care as part of Government reforms and changes to the major parent subsidy Child Care Rebate.
- The impact of such changes.
- Whether or not reducing the hours that a child of a family with one parent, not in the workforce, can access Child Care Benefits hours would have an affect.
- Whether or not applying a new work test to the Child Care Rebate to limit a parent who is a “stay at home mum” from accessing the Rebate would have an affect.

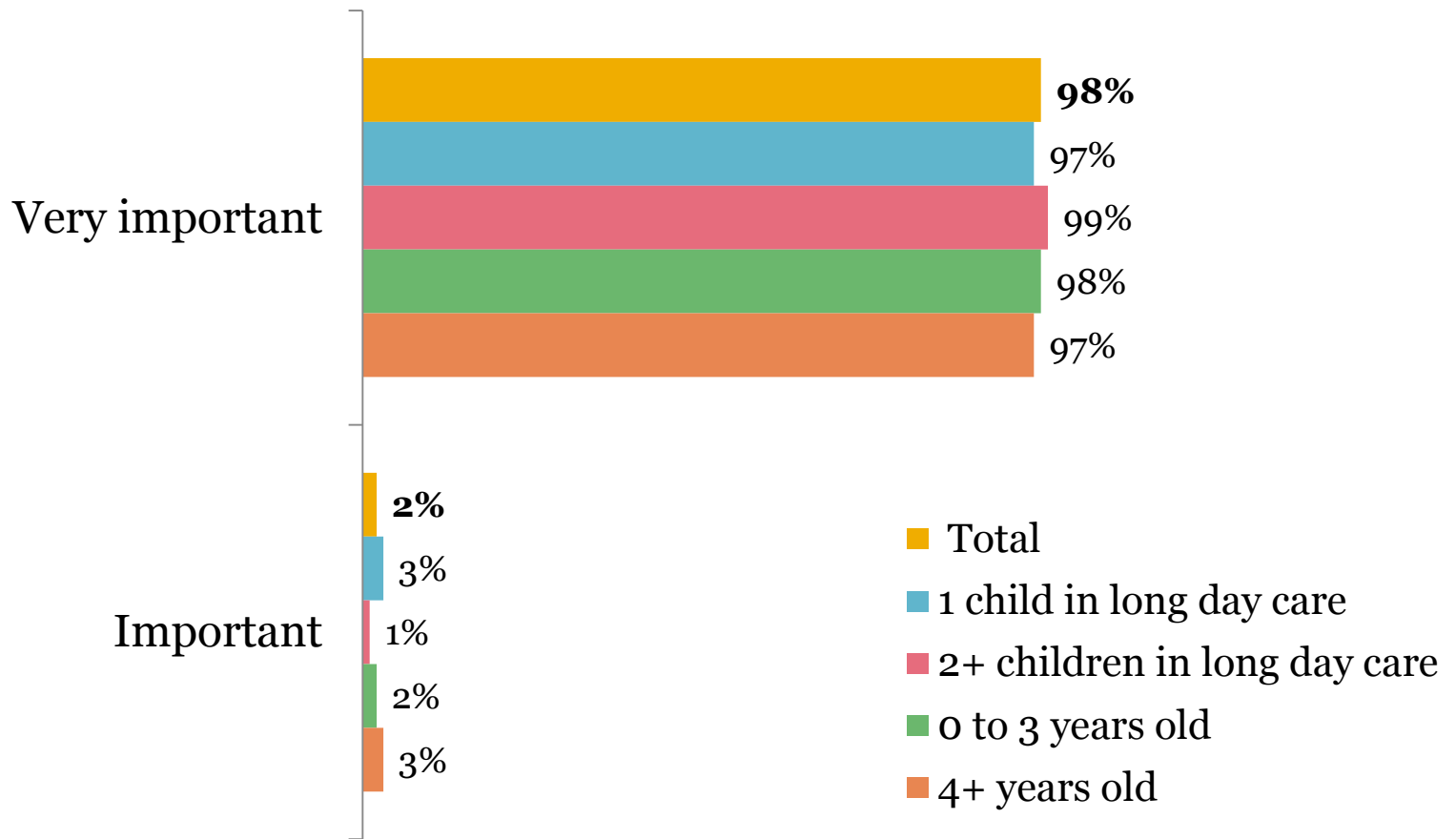
# Research Methodology

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- n=971 online surveys across Australia of parents whose child/children attend a long day care centre (private or community).
- Survey conducted between 18<sup>th</sup> and 28<sup>th</sup> April 2011.
- Variations of +/-1% in reported percentages are due to rounding.
- Unless otherwise stated, all charts based on total sample of parents with children in long day child care.

Regardless of the number or age of their children, families are not prepared to compromise on the importance of affordable, high quality, reliable long day care

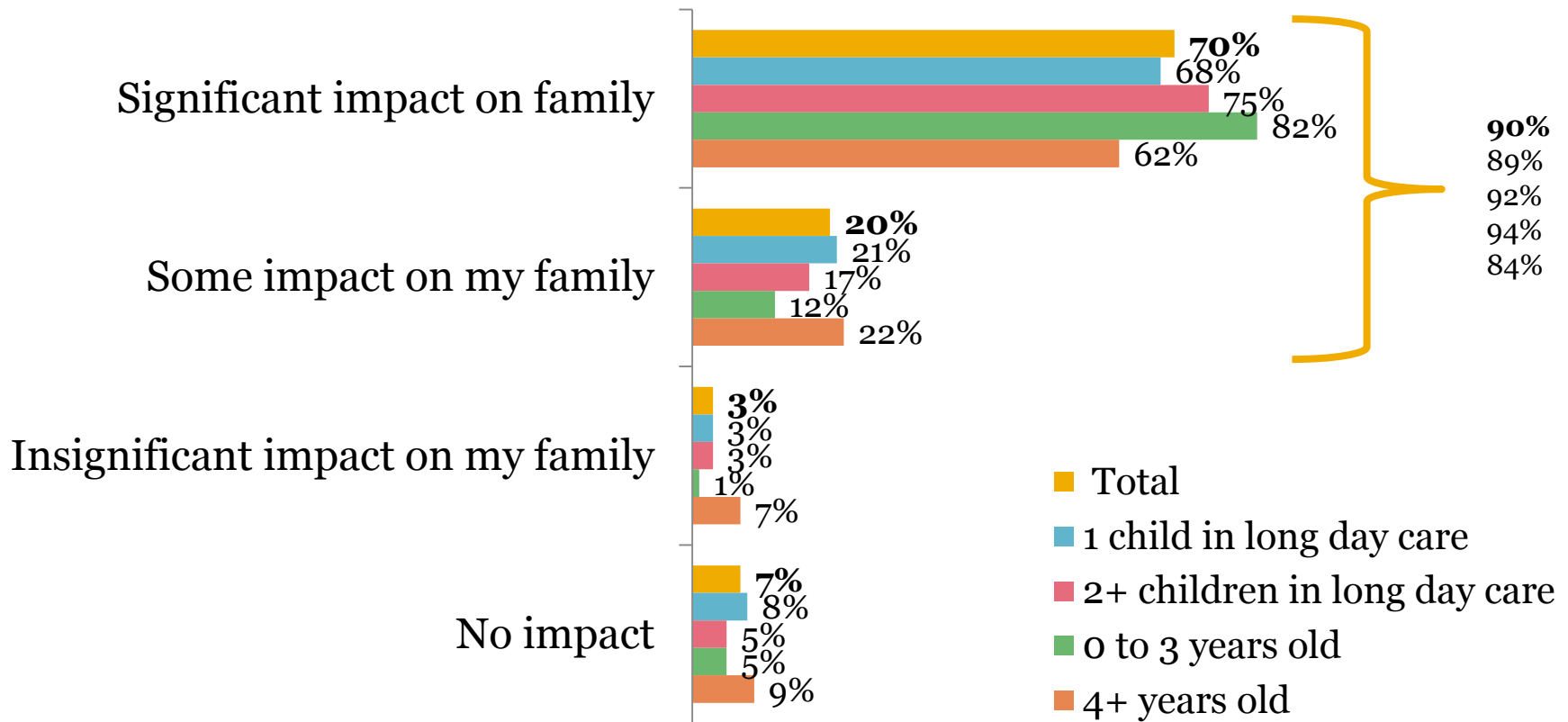
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**Question: How important is affordable, high quality, reliable long day child care to you and your child/children?**

More than two thirds (70%) say means testing of the Child Care Rebate will have a significant impact – families in NSW will feel the pinch the most

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**Question: We are led to believe that the government is considering the following options:**

- **Introducing means testing on the Child Care Rebate, commencing at a cut-off point of \$150,000 per annum income per family. This could mean that means testing will be filtered down as CCB currently is. How will these changes affect you?**

## Comments:

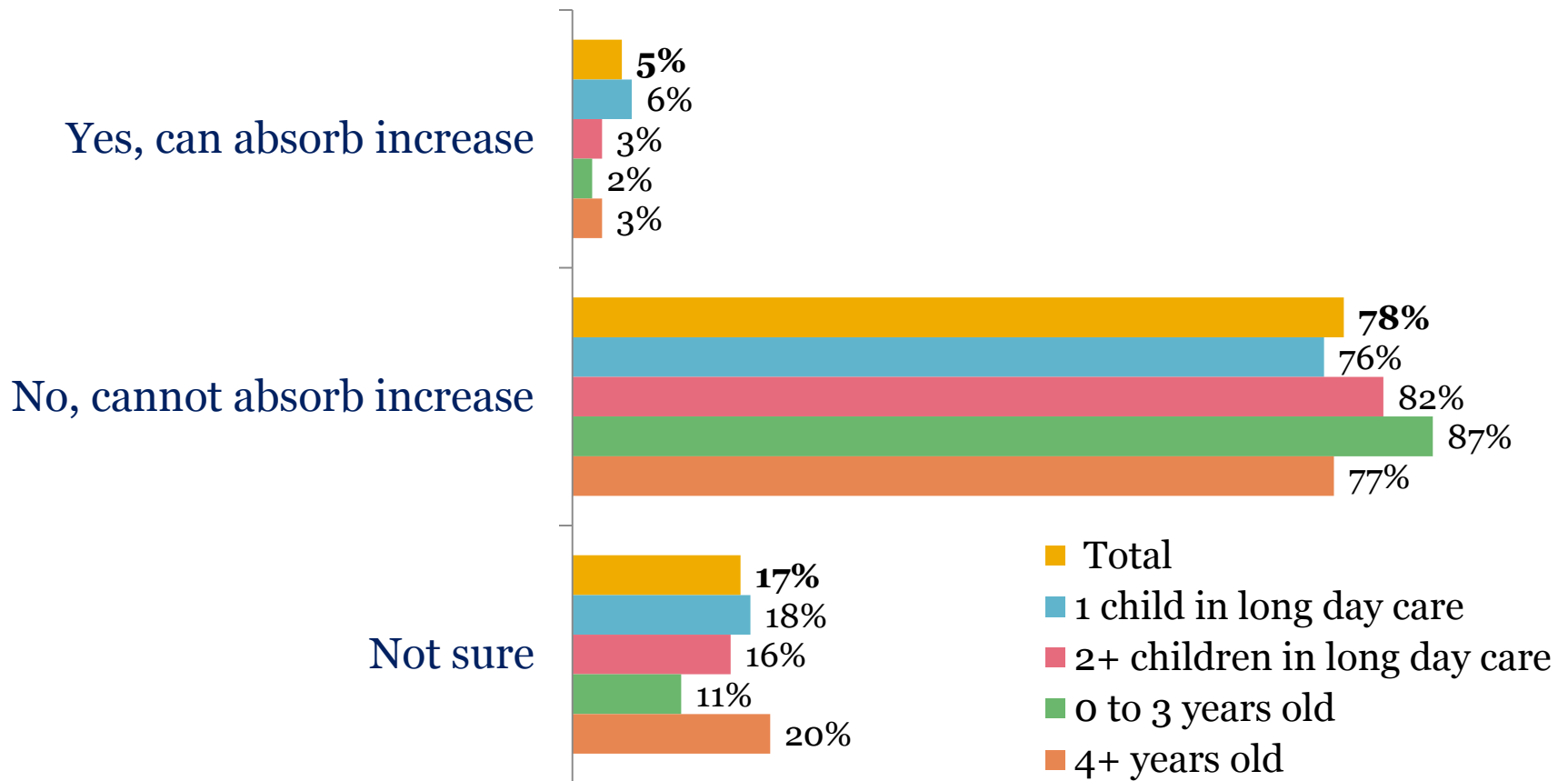
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- *This particularly becomes an issue upon the mother returning to work after maternity leave, and having multiple children in day care.*
- *As the cost of living rises it becomes harder and harder for people (esp. one income families) to make ends meet. Even \$150,000 doesn't go far after all the taxes are paid.*
- *I have post graduate qualifications and leaving the workforce would seem wasteful.*
- *This may mean it is not financially viable for both my partner and I to work full-time, thus reducing our personal income resulting in decreased taxation revenue.*
- *We are just making it through now, I fear that if the costs for child care rise I will have to leave my job and be at home with my children this is not right, my children deserve an education.*
- *It is difficult enough to manage the work/family balance without this kind of added financial stress. Our family is only just making ends meet even though our combined income exceeds the \$150,000 per annum mentioned here. We are not rich.*



# Very few families can afford to absorb further increase in the costs of long day care, especially those with younger children

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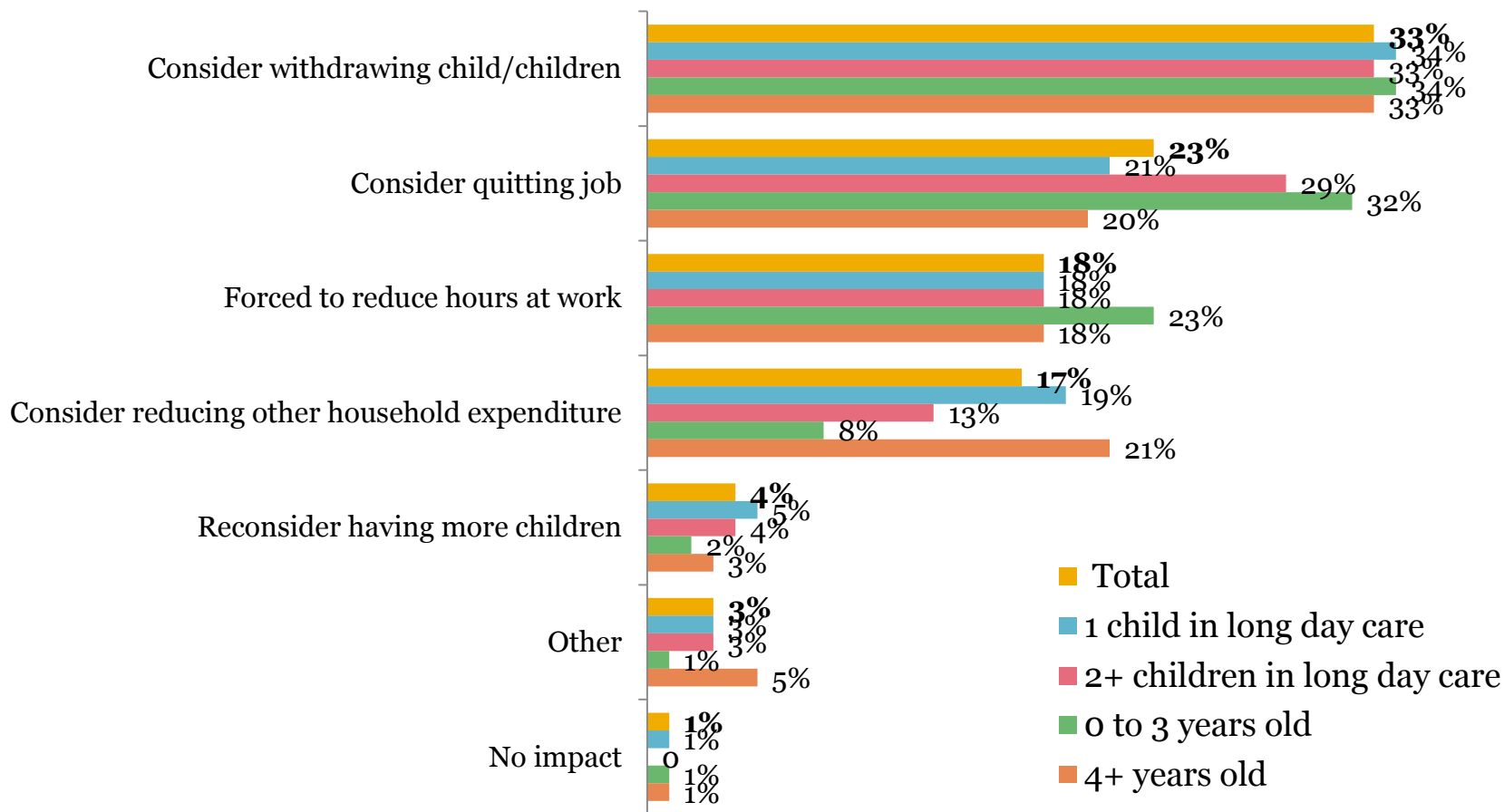
**Question: If the Government's reforms and changes to the major parent subsidy Child Care Rebate increases the costs of long day care, could you afford to absorb any further increases?**

## Comments:

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- *The mine where my husband works will be closing in about a year and we are not sure what other employment opportunities will be available then.*
- *It would be easier for me not to work, stay at home and care for my own child and receive some form of Centrelink payment. I try to work to make a better life for our family but this change to the CCR would make it too hard.*
- *It would place pressure on the family budget, but we feel that the opportunities and experiences provided at day care is an important part of our daughter's development and would be loathed to stop sending her.*
- *At the moment, I am working 4 full days a week. My daughter is attending Child Care on 3 days and it already is a struggle at home paying our mortgage as well as bills, food etc. Half of my wage is paid to my daughters Child Care Centre. I would then have to consider will it be worth me actually working.*
- *It will mean a re-prioritisation of other family activities and expenses, including reducing money spent on groceries, extra-curricular activities for the children, and reducing the quality of other essential items. It will significantly impact on the quality of life of our family, tighten our budget, and put us in financial stress.*

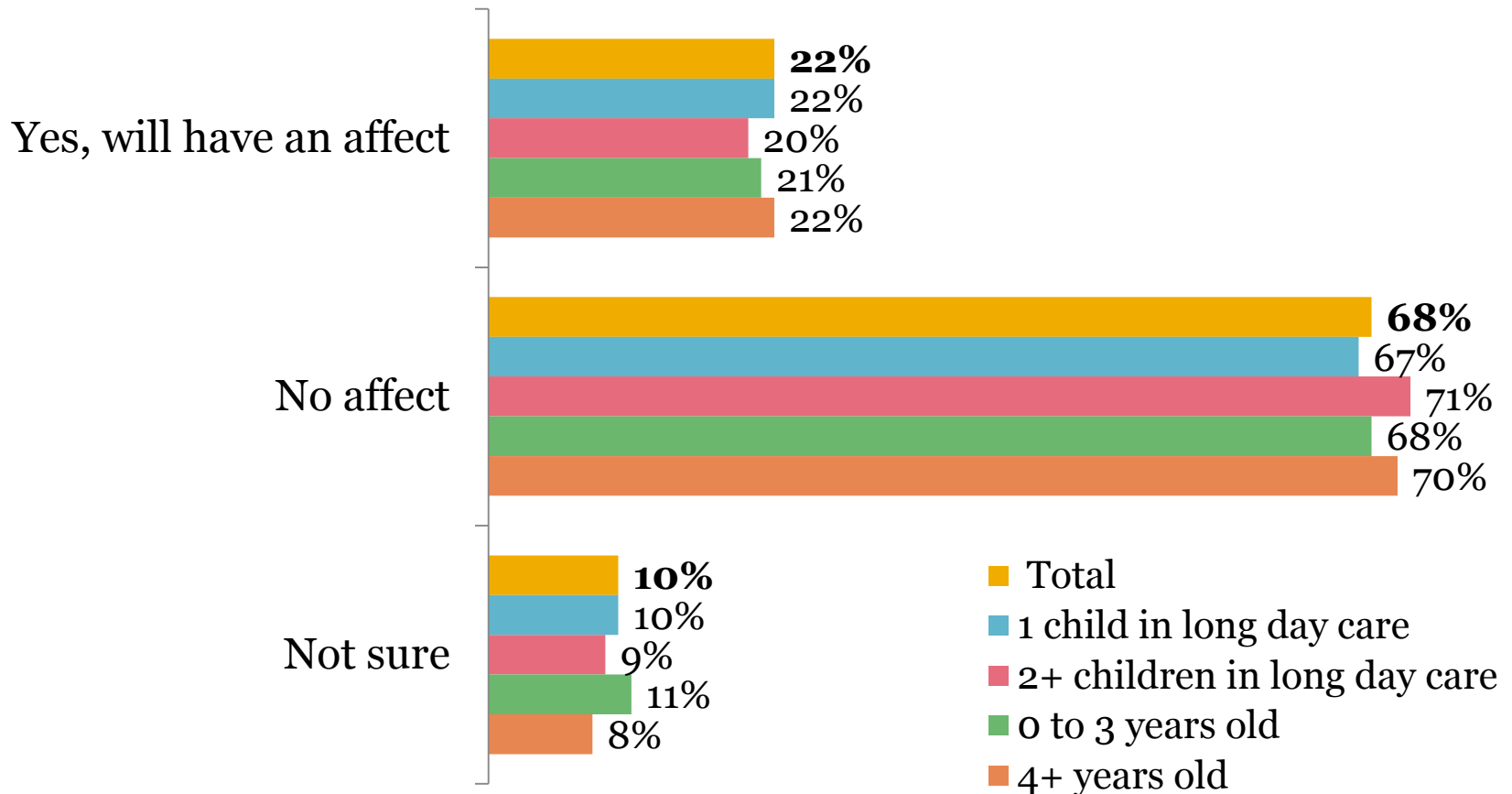
Increased long day care costs would force a variety of actions, including withdrawal of children from care, giving up work (especially for those with younger children), reduced hours, reduced expenditure and it would even force some families to reconsider having further children



**Question: What impact will it have on you (e.g.: will you consider withdrawing your child / children / reducing hours of work / quitting your job/reducing other household expenditure etc)?**

More than one in five families will be affected by a reduction in the number of hours that a child of a family with one parent, not in the workforce, can access Child Care Benefits hours

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**Question: The Government may also be considering reducing the hours that a child of a family with one parent, not in the workforce, can access Child Care Benefits hours (e.g. currently 24 hours per week or 2 days). Will this affect you?**

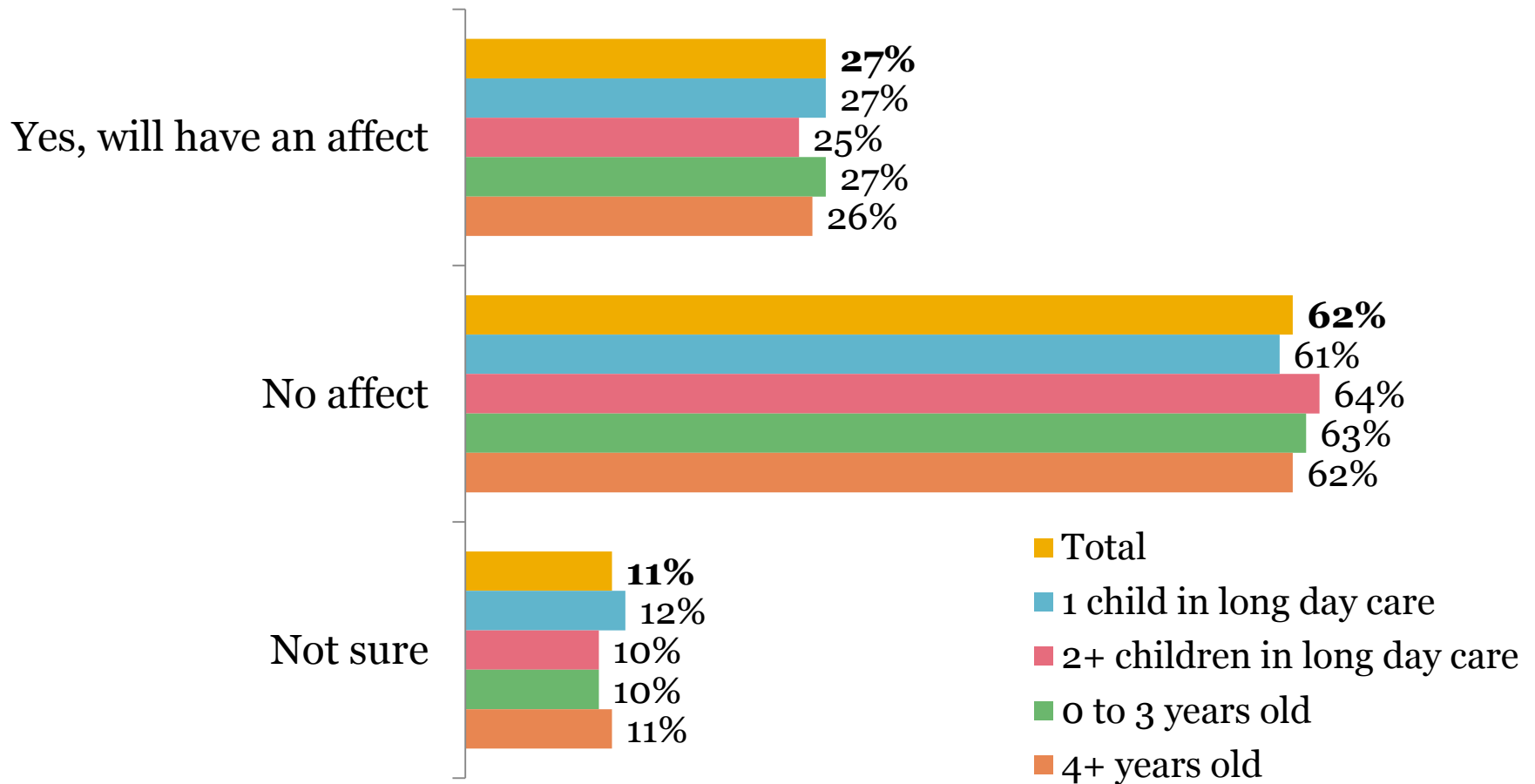
## Some parents feel somewhat disappointed by the current Government, but most of all they just want relief from COL pressures

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- *I am a full time student, if the government reduces the hours that a child of a family with one parent, not in the workforce I will have to quit my studies.*
- *As long as that parent is accessing study/training, job seeking programs or migrant help for a reasonable period of time each week then there should be some access to CCB.*
- *It's unfair. It should be the same for all.*
- *The current allowance of 24 h per week - 2 days is pathetic as it is - ridiculous to reduce even more. The Federal Government has no idea what the cost of living for ordinary Australians is really like. There are plenty of single parents who would not get any benefit from reducing the CCB hours if they were restricted even further.*
- *It makes it harder to get back into the workforce or study if that is your option.*
- *It is great when a mother who has other small children has at least some time with the new child to bond with them. This is particularly important with only one parent.*
- *It will make my single parenting life harder.*

# Limiting “stay at home mums” from accessing the Child Care Rebate will affect more than one in four families

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**Question: The Government may also be considering applying a new work test to the Child Care Rebate to limit a parent who is a “stay at home mum” from accessing the Rebate. Will this affect you?**

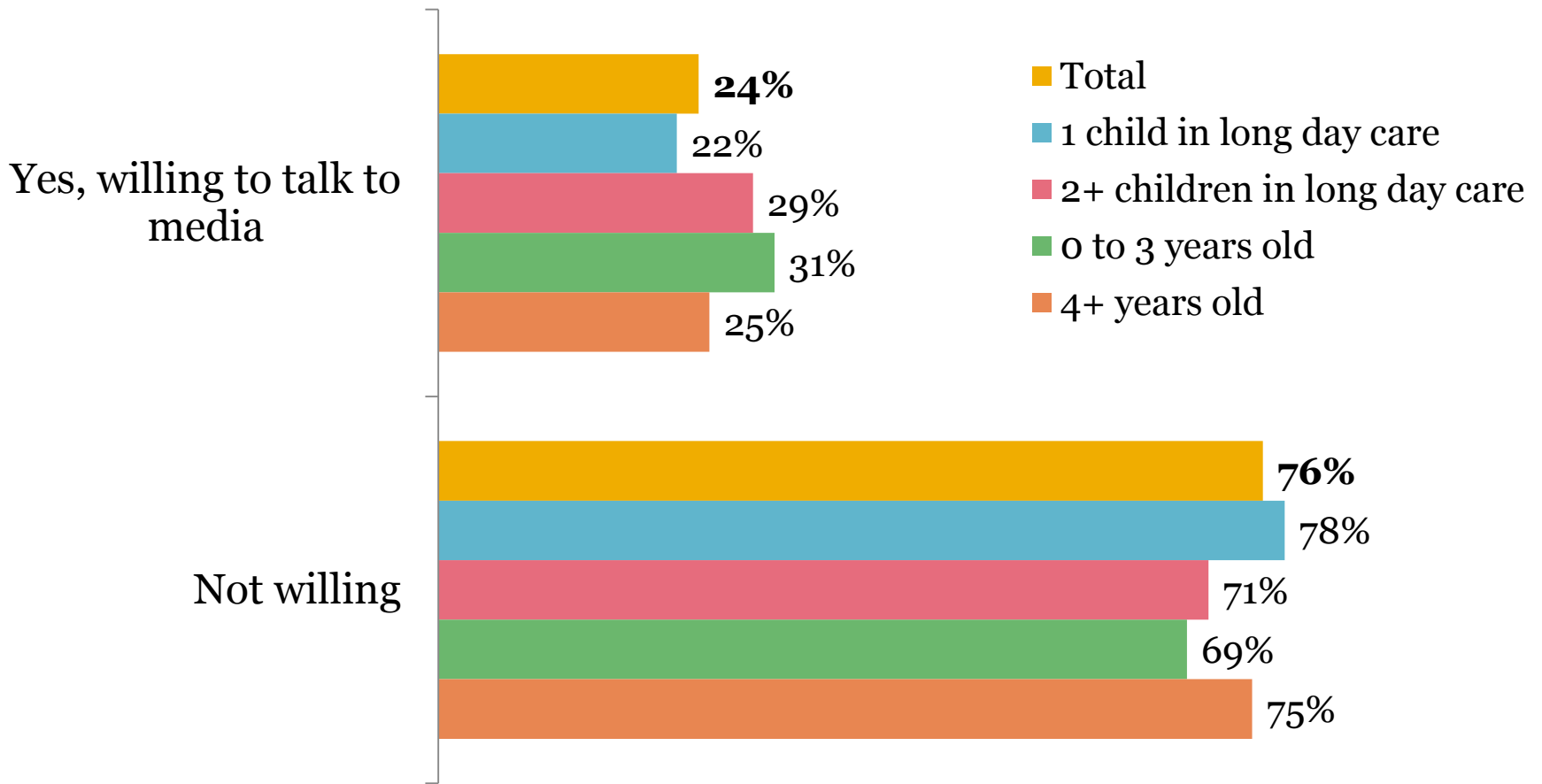
## Comments:

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- *I do work from home, but because it is my own business sometimes there is no income. This would be devastating to me as my work time will be reduced, therefore completely wiping out my income.*
- *Being a "stay at home mum" has a completely unfair stigma attached to it. Rebates should not be cut if you choose to stay home and raise a family. It's just as hard and time consuming as any other job, but there is no break from it. The problem is that the cost of living is rising and it's getting incredibly difficult for people to make ends meet on one salary. Are we all supposed to go back to work just to pay for our children to be in day care 5 days a week and brought up by other people?*
- *Why can't a family have a stay at home mum? I have enjoyed teaching my child about the world and also watched them grow but think they also need to have some time at child care to learn how to interact with other children. If I had less of a rebate I would not send my child to child care at all as it would not be affordable.*
- *I think that this is unfair and all children need social contact with other children. If they are forced to stay at home until they go to school - all children will not have the social skills to interact with other people including children.*
- *Just because I'm a single mum that stays at home and is a true mum! To them I shouldn't get the rebate? That's very disappointing!*

One in four parents are prepared to speak to the media to express their dissatisfaction and frustration at the proposed changes to the Child Care Rebate and Child Care Benefits, especially those with younger children

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Question: Would you be willing to speak to the media?



## Comments:

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- *Maybe some of them should ask their wives about the real issues instead of the men making decisions. Look at the cost beyond child care and the effect it has on housing affordability if we all have to drop days at work, that will create a skills shortage in the market as many of us ladies really do have brains and degrees.*
- *Be more considerate of families in a time of financial hardship across the board.*
- *As a single stay at home mum with two kids it's already hard with normal everyday living costs. I'm barely making ends meet as is, this would truly be devastating for me. I know my son is very smart and looks forward to going to child care the 2 days a week! if the prices go up I wouldn't be able to send him!*
- *There is continuing and escalating pressure on young middle income families. There is only so far we can be pushed and stretched before we break. We cannot be the continual scapegoats for the governments poor management of funding and budget.*
- *If the Government doesn't want to have to deal with higher unemployment and lower spending at the shops – which in turn has an effect on the economy - then they SHOULD NOT keep increasing day care costs and decreasing the rebate. It is not rocket science to understand that "working families" are what holds an economy together!!!!!!*
- *Things are hard enough without having to stretch the household budget any further. I need to work. Please don't jeopardise this!*
- *Please don't underestimate the impact that these proposed changes will have on working families. This will penalise those families that are trying to contribute to society by working, and also to juggle the demands (including financial demands) of work and family life.*

# PARENTS BUDGET SURVEY

**MAY 2011**

Australian  
Childcare  
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*Report developed by*

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