Money Saving Childcare

OPINION

I'm a working mum. Here's why I oppose Labor's universal childcare

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Like every other parent I know right now, one of the biggest expenses in my budget is childcare. Of course, I greatly value it because it allows my partner and I to work, and offers amazing benefits for my child. But seeing how much we fork out on this service every week makes my stomach drop.

Since 2006, the cost of childcare has risen across Australia by 48 per cent for couples and 76 per cent for single parents. In Victoria alone, the current average fee for childcare is $145 a day before subsidies. So it's hardly surprising that for years now, people have been desperately calling for more to be done.

Labor's universal childcare plan doesn't do enough to tip the scales for some parents. DIONNE GAIN

And when you combine those numbers with the facts that I'm both a working mum myself and passionate about making women's return to work easier, you might think I'd be all for the government's plan to introduce universal childcare. But you know what? I'm actually not.

There are a few reasons for this, and the first one is simple: the government's plan ignores expert advice, something I'm a big fan of. When the Productivity Commission looked into the government's proposed model - which would see childcare fees cost no more than between $10 and $20 a day for all Australian families - they found it would cost taxpayers an extra $8.3 billion each year, taking the annual total cost of childcare to $21 billion.

They also found it would increase demand, potentially reduce the quality of care, cost taxpayers much more than the commission's suggested model, and would not be equitable.

Their report to the government spelt this out plainly, stating: "A disproportionate share of the increased government support would go to the families whose incomes are in the top 25 per cent of income distribution." In other words, those who need the least help stand to gain the most.

Surely the goal should be to have a policy that is universally beneficial, not just universal in name.

So what was the alternative proposal? The commission suggested maintaining the existing system but changing the eligibility criteria, so that families earning less than $80,000 with one child and families earning up to $140,000 with multiple children in childcare can receive three free days of care each week for 48 weeks per year.

They also recommended removing the subsidy for families with a combined income of $580,000 or more. This model would cost an additional $4.7 billion annually – $3.6 billion less than the government's plan.

And yet, when the Productivity Commission presented the government with the harsh reality that a universal childcare model might not be as effective as imagined, the prime minister essentially ignored it.

Another issue with the government's plan is, as the commission highlighted, equity. I'm not saying that everyone earning a certain amount of money always has an easy, entirely stress-free life.

What I am saying, though, is that a single-income family on $65,000 is doing it tougher than a double-income family who are in the top 25 per cent of earners. The reality is that those at the bottom need more help than those at the top.

Would some extra money in the bank be nice? Absolutely. But is it the difference between being able to send your kids for an extra day of learning or having to stay at home? I'm going to say no.

The other major gripe I have with the plan is the idea that lowering the cost of childcare will see a huge upswing in women's return to work. While I would appreciate it if there was a silver bullet on this issue, there simply isn't.

Just like decisions around if she'll have children at all, or how many she will have, there are a myriad of reasons why women decide what their working arrangements will be when their families are young.

One thing I can tell you, though, is that every woman's reasons are different. And while the cost of childcare is definitely one of them, I've never known it to be the only one.

That's because on top of working, there's a whole set of other domestic realities that need to be factored in after having kids. For example: What's best for her children? What's best for the family as a whole? And importantly, but oh-so-often overlooked, what's best for her?

Considering women still spend 18.4 hours each week undertaking unpaid domestic labour, plus a further nine hours caring for children, it's understandable that they might decide returning to work in a full-time or part-time capacity on top of those responsibilities (plus adding in childcare drop-offs and pickups), might not be best for them and their families.

Then there are the economic issues. As Erin Clarke, a research economist at the e61 Institute, told the *Australian Financial Review:* "The decision of mothers to work, or work more hours, is impacted by a range of factors. One of these factors is the cost of childcare but, for lower-income families, the interaction of the tax and transfer system will also have an impact on their

decision to work. For many, as they work more hours and their income increases, they are eligible for fewer benefits, which could create a disincentive to additional work."

Anthony Albanese has made no secret of the fact that universal childcare is one of his core ambitions for his time as prime minister. But part of being a good leader and a sound economic leader is to listen to the experts.

Bringing down the price across the board sounds good in theory, until you remember the extra billions it will cost each year. And if the experts are saying that universal childcare isn't the best use of taxpayer dollars, won't provide support to the families who need it most and won't get women back into work, surely that's worth listening to?

In the end, surely the goal should be to have a policy that is universally beneficial, not just universal in name with a higher price tag.

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