

15 August 2014

The Australian Productivity Commission Childcare and Early Childhood Learning Public Inquiry

To Whom It May Concern:

I am writing with regards to Paid Parental Leave and Childcare in Australia.

I am a 29-year-old tertiary educated Australian employed by a US multinational in Sydney. My husband runs a building and construction business. We have an 11-month-old son. I would like to share our experience in sourcing adequate care for our son – specifically, issues we face regarding accessibility, affordability and quality.

I commenced the search for childcare for my son when he was 1 month old (we were living overseas up until this point). I was dismayed to find that the availability of childcare in my local area was scarce, and at a premium cost. I put my son on the waiting list at ten local childcare and family day care centres and received a place at only one. Almost one year on, I am yet to hear back from eight of these centres, most of which I paid a \$50 Waiting List fee to.

I returned to work in April 2014, four days per week – my employer had requested 5 days per week, however I could not get enough childcare to meet this request. I was able to secure two days per week at privately run childcare centre in Manly Vale. I've had to ask my mother in law, who is retired, to look after my son 1 day per week, and I have hired a nanny for the remaining day. Since returning to work only four months ago, I've had three nannies (each at a significant cost – more than \$20/hr post tax, all without childcare qualifications) – an unacceptably high turnover of staff. My parents, although willing, are unable to help with ongoing care, as they remain in the workforce full-time – a Government expectation, given the recent increase in the retirement age to 70. My employer is likely to require me to return to full time work in the coming months, and I have not been able to secure the required childcare to allow me to do this as yet. In summary, our childcare arrangements are expensive, fragmented, and inadequate.

Another option for my family is to return to work Singapore, where we lived and worked for 4 years until our son was born last year. Singapore offers attractive career opportunities for my husband and I, and childcare is a fraction of the cost – a live in nanny is about AUD500/month – staggeringly, we pay more than this each week for only 3 days of formal childcare (from our post tax income). Many of our friends (Australians, New Zealanders, etc.) have opted to stay in Asia whilst their children are young to maximise the career opportunities and low cost of childcare. The opportunity cost to the Australian economy of families choosing to work overseas (particularly in neighbouring Asia where childcare arrangements are more accessible and affordable), must be acknowledged and addressed by the Government.

Your government's proposed Paid Parental Leave scheme would have significant financial benefit to me personally. However, I urge the Government to invest this funding into addressing the affordability and availability issues relating to childcare, enabling me and other women in my position to return to paid work after having a baby. Specifically, options including, but not limited to, the following:

1. Increase in the Child Care Rebate for families with two working parents to address the affordability issue
2. Extension of the Child Care Rebate to in-home care e.g. nannies, au pairs
3. The ability to Salary Sacrifice child care costs
4. Increase in the volume of Government/Council run childcare centres to address issues related to supply and cost

The economic and community benefits of parents returning to work or staying in the workforce, through their meaningful contribution to business, organisations and communities, in addition to paying taxes, are significant and undeniable. The Government must act now in order to enable Australian families to have access to affordable, high quality childcare for their children.

Yours Sincerely,

Sophie Brown