

Background

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Dan Tehan concedes some childcare providers charge more than government cap

Education Minister Dan Tehan has conceded that some private childcare providers are charging families more than the federal government's cap introduced two years ago and advised parents to shop around to find value for money.

However he said out-of-pocket expenses were 5.6 per cent lower overall.

The minister was responding to an accusation by Labor that fees for child care are up almost 35 per cent since the coalition came to power in 2013.

Fears are growing that indigenous people who 'bore the brunt' of the 2009 swine flu could be hit again if coronavirus spreads uncontrollably in Australia.

"The government has broken its promise to families that the new system would bring fees down and they have absolutely no plan to control skyrocketing fees," Labor's early childhood education and development spokeswoman Amanda Rishworth said in a statement on Sunday.

"It is time for the government to review their failed child care system and act urgently to provide relief for families."

Mr Tehan hit back, saying Labor is in no position to talk.

"When Labor were in office childcare fees went up by 50 per cent," he told reporters in Sydney.

He said the opposition also promised wage increases for childcare workers at last year's federal election, which he believes would have resulted in higher fees.

The minister said child care is a private sector market and some providers are operating above the government's cap.

"What I would say to Australian families is to make sure that you shop around and find a childcare provider who is providing value for money when it comes to early childhood education of your child," he said.

"I call on the sector to be doing everything they can to ensure that costs remain sustainable for Australian families."

As promised when it introduced the cap, there will be a review in 2020 of its near-\$10 billion subsidy to the sector.

"One of the things the government is going to be very keen to see from that review is what steps, what additional things the government and the sector need to be taking to ensure that those costs remain sustainable for Australian families," he said