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Media release

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23,000 kids priced out of child care

Unpublished ABS data shows that 23,000 Australian children from low and middle income families are being priced out of child care. In an Australia Institute report released today titled *Lost Children: Condemning children to long-term disadvantage*, Dr Michael Flood found that 12,000 children from low income families and 11,000 children from middle income families miss out on child care because of cost, and they are more likely to experience developmental disabilities as a result.

“Children’s early development has a decisive impact on their later lives,” Dr Flood said.

Research confirms that early childhood development and care play a crucial role in fostering children’s development. Every day that a child misses out on the quality care they need is a missed opportunity to help that child develop to his or her full potential.

“Poorer parents in Australia are being priced out of the child care system, and parents from disadvantaged areas are more likely to find that no child care places are available even if they can afford the fees. Such inequity in the way child care services are provided in Australia is likely to entrench disadvantage,” said Dr Flood.

Using previously unpublished ABS data the report shows that parents’ access to and use of child care is heavily influenced by income. Parents on low incomes are more likely than other parents to report that cost is the main reason for not using child care. Eighteen per cent of low income parents and 21 per cent of middle income parents cite cost or expense as the main barrier to their use of additional child care.

“As a society we must move on from the notion that child care is somewhere that parents leave their children while they go and do something important. Child care is an integral component of early childhood development. The research evidence is quite clear, if societies spend money on child care, it is likely to pay large dividends in terms of improved literacy, reduced unemployment, and reductions in crime and anti-social behaviour.

“All Australian children deserve a fair chance to achieve their full potential. Participation in quality early childhood education makes a significant and cost effective contribution to children’s wellbeing. Access to child care should be based on need, not on parental income.

“Inequitable access to child care entrenches the social and economic disadvantages already being faced by children and increases the likelihood that they will suffer poor employment, health and well-being as adults,” concluded Dr Flood.