

# Australian government bails out private childcare industry

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With enrolments at childcare centres plummeting, precipitating an imminent collapse of the lucrative industry, the Australian government last week announced a \$1.6 billion bailout for the corporate operators.

The government dressed up the announcement as temporary “free childcare,” in an effort to convince parents to send their infants back to the centres, despite the obvious dangers of COVID-19 infections to the children and childcare workers.

As with every other measure taken by the federal government and its state and territory counterparts, Labor and Liberal-National alike, the sole concern in ruling circles is to get workers back on the job, pumping out profits for the financial elite.

“We need our workers out there doing their bit to deal with this pandemic,” federal Education Minister Dan Tehan told the Australian Broadcasting Corporation (ABC). “And they need to know their children are being cared for, that was the thing that drove me.”

Worked-out behind closed doors, the plan suspends childcare fees for three months for parents, with the centre proprietors to be paid 50 percent of the sector’s fee revenue based on the number of children who were in care from February 17.

The plan is devised to dovetail with the government’s \$130 billion “JobKeeper” wage subsidy scheme, in which \$1,500 per fortnight will be paid to employers to keep workers on their payrolls. Under that scheme, childcare companies will be free to cut the wages of childcare workers, already severely underpaid, to that even lower level, boosting their profits.

The bailout is a desperate bid to keep the country’s 15,000 childcare centres open. Last week, Early Childhood Australia Tasmanian president Ros Cornish

told the media: “Parents are withdrawing their children from our centres in droves as we are left to grapple with how to pay wages as usage drops and overheads remain the same—with no government assistance or direction.”

Australian Childcare Alliance Western Australia executive director Rachelle Tucker said that state had seen a 30 to 90 percent reduction in attendance. “Some of our centres have actually lost 100 per cent of children and have had to close their doors,” she told the media.

The childcare industry has been increasingly privatised since the Keating Labor government initiated its pro-market restructuring in the 1990s. Previously, 85 percent of childcare was delivered on a not-for-profit basis. By 2018, 47 percent of education and care services were run by for-profit providers cashing in on generous government subsidies to the tune of \$1 billion in annual profits. Corporate entities and private equity firms have crowded out small providers, pushing childcare costs to among the highest in the world.

As Tehan’s comments show, the government’s concern that childcare centres remain open reflects economic, not health and well-being, considerations. Like the \$130 billion bonanza for employers, the childcare package will primarily benefit the larger private childcare providers.

Up to a million casual employees in the childcare industry will not be eligible for the \$750 per week JobKeeper payment. In addition, only businesses, not local council-run childcare operators, qualify for the government’s 50 percent funding. Some state governments have provided funding for those centres.

Both the government and the trade unions have shown callous indifference to the health of workers and children in childcare centres. As 13 people from one childcare centre in Sydney tested positive for

coronavirus, Prime Minister Scott Morrison continued to claim that it was safe for children to attend schools and childcare centres.

Questioned last Sunday on the ABC's "Insiders" program on the risk to the health of childcare workers, Australian Council of Trade Unions secretary Sally McManus brushed aside concerns. "We hope it [the lack of social distancing and personal protective equipment] gets fixed soon," she said.

A major factor in parents withdrawing their children from childcare centres is the impossibility of maintaining social distancing or adequate hygiene practices. Second to health care workers, educators are working in the most at-risk environments.

Typical of the comments on the ABC Facebook page, Toni posted: "It seems ludicrous to me that we can't see our extended families or friends but my baby can go to day care with 100-plus kids in the centre that can't practise social distancing or basic hygiene... No one should have kids in childcare. They don't need to be on the frontline."

A childcare worker tweeted: "I'm a childcare worker and this is all well and good, but no PPE is provided to us (just gloves) and we get paid next to NOTHING and we are exposed to so many germs. I'm putting my life and my family's life at risk to earn a minimum wage."

A number of parents spoke to the WSWS about their concerns.

Julie commented: "I feel so guilty. I feel like I'm sending them to the front line, like I'm sending them off to war."

A parent who wished to remain anonymous, said: "I just don't want to get it [the virus] from my boy and pass it on to the family. I think the big thing is that people are scared to lose their place, they are working and need the income.

"They tell us to socially distance but that's impossible at day care! My boy cries and they cuddle him for thirty minutes. The workers don't wear masks. The kids are all over each other and they wipe their noses and they put their fingers in their mouths. They constantly crawl all over each other.

"They will pass it on to the workers. They might be living with older people, with sick people. If workers quit they don't get benefits. They probably don't want to be there. I mean they love our kids and want to be there for them, but they don't want to get sick. They

are stuck!

"They should have shut them down two weeks ago. It would be much worse if the virus spreads. I guess it's to keep the economy open."

Far from the official claims that "we are all in this together," the childcare package has again demonstrated the vast gulf separating the concerns of the financial elite and their representatives in governments and the unions, and those of the working class. It demonstrates the urgent necessity of childcare being placed in public ownership under democratic workers' control, with free services for all parents guaranteed as a basic social right.



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