

Childcare in crisis as fees soar

CHILDCARE centres are slugging parents with higher fees, sacking staff and even cutting back on nappies and food in a race to protect profits due to increasing competition.

One-quarter have also cut back on specialist programs such as music or sport.

A survey shows 42 per cent of centres have increased fees because they don't have enough children enrolled to cover running costs.

NATASHA BITA

Three-quarters of centres blamed the opening of rival centres over the past two years for the oversupply, the Community Early Learning Australia survey found. Some daycare operators believe paid parental leave has created the problem, as parents can now afford to stay home to care for them.

The national survey shows 12 per cent of centres have

made some staff redundant and 38 per cent have not replaced staff who resigned.

A small number have "reduced menu choices or quality" or have "reduced nappy service or quality of nappies".

"It seems madness that we have 10 per cent of services considering closure when we've got areas of unmet need in some other regions," CELA chief executive Diane Lawson said.