

Senate Standing Committee on Education and Employment

**QUESTIONS ON NOTICE
Supplementary Budget Estimates 2013-2014**

Outcome 1 - Early Childhood Education and Child Care

Department of Education Question No. ED0178_14

Senator Smith asked on 20 November 2013, Hansard page 58

Question

Increases to the out-of-pocket childcare costs

Senator SMITH: You mentioned some figures: 7.1 per cent to 8.6 per cent. Just remind me what that was in regard to. I think it was cost of care. Ms Wilson: Looking at the out-of-pocket costs for families across all income ranges, when we look at the period from the March quarter 2008-09 to the March quarter 2012-13, and if we particularly focus on a family with a disposable income of about, say, \$70,000 a year, the out-of-pocket child care costs have increased from 7.1 per cent in the 2008-09 period to 8.6 per cent in the 2012-13 period. Senator SMITH: Do you have some evidence or understand what the drivers of that increase are? I'm happy for that to be on notice. Ms Wilson: I am happy to take it on notice. There have been increases in terms of the number of children participating and the hours of participation, as well as increases in terms of the cost of the other rates of care. But I would have to take on notice the question of how we break that up.

Answer

The main drivers of changes in out of pocket costs as a proportion of disposable income over time include:

- Changes in families' assessable incomes and in disposable income
- Child care usage, such as changes in the number of hours children use care
- Fees charged by the services that families use
- The amount of child care fee assistance received.