

Senate Select Committee on COVID-19

QUESTION ON NOTICE

Australian Government's response to the COVID-19 pandemic - 19 May 2020

Outcome: Early Childhood and Child Care

Department of Education, Skills and Employment Question No. IQ20-000007

Senator Katy Gallagher on 19 May 2020, Proof Hansard page 2

Early Childhood Education and Care Relief Package review - release of the full four week review

Question

CHAIR: Thank you. In terms of the early childhood education and care relief package review, which the minister has released a summary report of today, will the full report be released, and can it be provided to the committee?

Dr Baxter: The full report of the four-week review process was prepared for cabinet deliberation. It won't be released at this stage. It does include references to past and future cabinet processes, because it was material that was prepared by the department across a whole range of activities that we've been undertaking. It also includes some substantial commercial-in-confidence information that was provided by providers, going to their business model, profit margins and the like. That's why the public-facing material has been made available, with the government's agreement, to take some of the pieces from that material that was prepared for cabinet deliberation and place it on the public record.

CHAIR: Okay. In terms of not providing that document to the committee, a claim of public interest immunity would need to be made, because I've requested that document. Are you taking that for the minister to—

Dr Baxter: I'm happy to take that on notice for a discussion with the minister.

Answer

The Minister for Education is considering if he will make a claim of public interest immunity.

Senate Select Committee on COVID-19

QUESTION ON NOTICE

Australian Government's response to the COVID-19 pandemic - 19 May 2020

Outcome: Early Childhood and Child Care

Department of Education, Skills and Employment Question No. IQ20-000023

Senator Katy Gallagher on 19 May 2020, Proof Hansard page 4

Modelling of the Relief Package

Question

CHAIR: When you were putting the relief package together, was there modelling done on that and the impact it would have on the sector?

Dr Baxter: Modelling done on?

CHAIR: On the impact that the relief package would have on the sector. I can see from the review that it's saying that you were aware that there was a crisis pending; it was imminent. So you put together this package. I'm trying to understand what assumptions and what detail went into that and—

Dr Baxter: I'm happy to talk you through what the assumptions were that led to the combination of JobKeeper and the relief payments being put together.

CHAIR: Yes, or you can provide us with the modelling that was done on that. The committee would be interested in that, I think.

Dr Baxter: I'm happy to talk now through the modelling and the assumptions that underpinned where the relief package got to and where the modelling itself formed part of the cabinet deliberations. Again, that would not normally be material that we would provide.

CHAIR: The Senate committee has a job to do to scrutinise the response. It's very difficult if the government isn't providing any of the detail about that response and what led to those decisions. But we will pursue that. If you could take this on notice, we would like access to the modelling of the relief package, including what the level of JobKeeper would be for the services, how many you thought would be eligible for JobKeeper—

Dr Baxter: I can talk you through those key assumptions now, if you like.

Answer

The initial cost of the Early Childhood Education and Care Relief Package (ECECRP) was calculated on the following factors:

1. The number of children enrolled into a child care service and attending at the time the costing was done.
2. Sum of fees for the entire 2018–19 financial year – fees per child per week.
3. The amount of growth in CCS subsidy.
4. The total estimated fees per week multiplied by the proposed Business Continuity Payment (BCP) percentage rate of the fee.
5. An estimate on the utilisation of the ECECRP based on the number of weeks the ECECRP would run.

As per Department of Finance requirements, the Department's models do not take into account any potential behaviour change from either customers or services.