

Senate Select Committee on Work and Care

Inquiry into Work and Care

QUESTION ON NOTICE

Date of hearing: 16 September 2022

Outcome: Early Childhood and Youth

Department of Education Question No. IQ22-000010

Senator Andrew Bragg on 16 September 2022, Proof Hansard page 10-11

CCS statistics and breakdown

Question

Senator BRAGG: Can you give me a breakdown of the use of the CCS between before a child goes to kinder or prep, depending on which state you're in, and then the proportion of CCS that goes into after-school care and similar services?

Ms Arcaro: I'll just see if I can find that in my folder.

Senator BRAGG: You can provide it on notice if you want. I'm just trying to establish the baseline.

Ms Arcaro: I can tell you that, on average, around 59 per cent of children access centre based day care. That would be that zero to four, if you like, age group. Around 37 per cent are accessing after-school hours care, so that's probably your five- to 13-year-old group.

CHAIR: Can you repeat that statistic?

Ms Arcaro: Centre based day care is 59 per cent, and outside-of-school-hours care is 37 per cent. Then we have family day care, which is another element, which provides longer hours. It's predominantly for zero- to four-year-olds. That's seven per cent.

Senator BRAGG: Can you provide all that on notice, please?

Ms Arcaro: Yes, absolutely.

CHAIR: And those statistics—can I just check, Senator Bragg?—were for participation of cohorts in care—

Ms Arcaro: That's right.

CHAIR: That wasn't the breakdown of the budget of CCS?

Ms Arcaro: No.

CHAIR: I think Senator Bragg is interested in that as well.

Senator BRAGG: I'm keen to hear both.

Ms Arcaro: We'll take that on notice.

Answer

Table 1: Number of children by service type and state / territory, June quarter 2021

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	Australia*	Australia*# (% Total)
Centre-based Day Care	256,520	195,170	178,010	46,420	70,580	13,360	6,650	17,650	782,760	59.0%
Family Day Care	30,020	25,700	18,830	2,970	9,430	2,750	240	890	90,800	6.8%
Outside School Hours Care	151,640	99,830	116,740	45,370	43,980	8,970	4,890	15,050	486,120	36.6%
Total*#	429,810	314,480	307,170	92,740	117,220	23,530	11,550	32,670	1,326,880	100.0%
In Home Care	0	0	0	0	0	0	0	0	2,500	
Total*^	0	0	0	0	0	0	0	0	1,328,540	

Table 2: Total subsidy by service type, June quarter 2021

Service type	Child Care Subsidy (CCS) ('000)	Additional Child Care Subsidy (ACCS) ('000)	Total subsidy ('000)	Total subsidy (% total)
Centre-based Day Care	\$1,856,216	\$23,552	\$1,879,768	82.3%
Family Day Care	\$168,121	\$1,078	\$169,199	7.4%
Outside School Hours Care	\$223,115	\$1,871	\$224,986	9.9%
In Home Care	\$7,522	\$1,975	\$9,497	0.4%
Total	\$2,254,973	\$28,477	\$2,283,450	100.0%

Excludes In Home Care

^ Includes In Home Care

*As children may use services in more than one state or territory, and due to rounding, the sum of the components may not equal the total.

Note: In-home care data by state and territory has been excluded due to privacy considerations.

Source: Department of Education administrative data, [Child Care in Australia Report June qtr 2021](#)

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Department of Education Question No. IQ22-000011

Senator Barbara Pocock on 16 September 2022, Proof Hansard page 12

Supporting working carers

Question

CHAIR: We're going to be hearing from carers and parents, and there's some evidence in submissions we're receiving about the interface between preschool and other care—whether it's care by grandparents, but especially care in a long-day-care setting. It's a very painful and poorly functioning interface, in my personal experience, which was many years ago. What would be your assessment about how well we're supporting working carers who need more than four hours preschool for the care of their children?

Ms Twyman: I'd probably need to take that on notice, and have DSS colleagues involved in that conversation because of their awareness of the caring programs.

Certainly, one of the issues that have been raised with us is the interface between the play based scenario, where parents can stay with their children—before the children actually enter the education system where parents don't stay; it's often called the soft entry point—and then the preschool or more formal childcare environment. It's often been stated that we do need to ensure that those linkages are strengthened so that parents have that trajectory as well. But I would need to take on notice the carers programs per se.

Answer

The Australian Government provides funding to support the delivery of preschool to children in the year before full time school and also provides financial assistance to help families of preschool aged children access early childhood education and care (ECEC) outside of preschool, such as education and care in a centre-based day care settings.

In relation to preschool, while each state and territory (State) government is responsible for the delivery of preschool in their jurisdiction, funding is a collaboration between the Australian Government and State governments. The Australian Government provides funding to States to support the delivery of 15 hours of quality preschool per week for all children in the year before they start school. From 2008 to 2021, \$4.6 billion was provided through a series of Universal Access National Partnership Agreements (UANP). From 2022 to 2025, up to \$2 billion is available through the Preschool Reform Agreement (PRA). Under UANP and PRA arrangements States are able to use funding in ways that suit local circumstances to encourage preschool participation, including initiatives to better join up services and overcome known barriers.

In relation to other forms of ECEC, the Department of Education provides substantial financial assistance for families through the Child Care Subsidy (CCS) system and the Child Care Safety Net. Further detail on these programs has already been provided in the Department of Education's written submission to the Inquiry.

In addition to these supports, the Department of Education also works with the ECEC sector to identify challenges and remove regulatory barriers so families can access ECEC services in ways that meet their needs. The Australian Government has also committed to tasking the Productivity Commission with undertaking a comprehensive review of Australia's ECEC sector. The review will consider the role of early childhood education and care in supporting workforce participation and productivity.

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Department of Education Question No. IQ22-000012

Senator Barbara Pocock on 16 September 2022, Proof Hansard page 12

Australian spend on early childhood education and care

Question

CHAIR: How would you characterise the Australian spend on early childhood education and care? How do we compare as a nation with trading partners, say, in the OECD?

Ms Still: I think we'll have to take that question on notice.

CHAIR: I'm very interested in the detail of that, the rankings internationally and perhaps some information on how we're tracking over time. Are we improving up the rankings or not? Are we falling down? And how does our spend compare in terms of its character as well—how we spend it across the ages?

Answer

The OECD Education at Glance (EAG) report is published annually and provides an international comparison of the structure, finances and performance of education systems across OECD countries and a number of partner economies, including early childhood education and care (ECEC) systems.

Table 1 provides a comparison of Australia's ECEC finance indicators from the most recent 2021 EAG report compared to the previous 2020 EAG report. The 2022 EAG report will be published on 3 October 2022.

Table 1: Financing of ECEC in Australia compared to OECD average (2021 and 2020 EAG)

	EAG 2021 (Reference year 2018)		EAG 2020 (Reference year 2017)	
	Australia	OECD avg.	Australia	OECD avg.
Total annual expenditure per child (USD PPP)	7,700	10,118	7,863	9,661
Total annual expenditure per child (USD PPP) (all children aged 3 to 5 in ECEC and primary education)	8,488	9,123	8,697	8,583
Total expenditure as a % of GDP	0.6%	0.9%	0.6%	0.9%
Total expenditure as a % GDP (all children aged 3 to 5 in ECEC and primary education)	0.5%	0.6%	0.6%	0.6%

*USD PPP = United States Dollar Purchasing Power Parity

According to the 2021 and 2020 EAG reports:

- Australia's total annual expenditure on ECEC services as a proportion of GDP remained steady between 2017 and 2018 at 0.6 per cent. This was 0.3 percentage point lower than the OECD average of 0.9 per cent of GDP in 2018 and 2019.
- Australia's total annual expenditure per child decreased marginally from 7,863 USD PPP in 2017 to 7,700 in 2018. This was below the OECD average of 9,661 USD PPP in 2017 and 10,118 in 2018.

These differences in expenditure are largely because Australian children typically start primary school at age five, whereas other OECD countries children start primary school at age six or seven. Funding for most Australian children aged five to seven is captured in school funding, whereas for many OECD countries funding for this cohort of children is captured in ECEC funding.

To acknowledge this difference in school starting ages in Australia and other OECD countries, the OECD also measures estimated expenditure on all children aged three to five, including children in both ECEC and primary school.

Using these adjusted measures, Australia's total expenditure was closer to the OECD average:

- Australia's total annual expenditure as a proportion of GDP decreased slightly from 0.6 per cent in 2017 to 0.5 per cent in 2018. This was slightly below the OECD average of 0.6 per cent in 2017 and 2018.
- Australia's total annual expenditure per child in 2017 was 8,697 USD PPP, slightly above the OECD average of 8,583 USD PPP. In 2018 Australia's total annual expenditure per child was 8,488 USD PPP, slightly below the OECD average of 9,123 USD PPP.

Table 2 provides an overview of Australia's ECEC finance indicators compared to a selection of other OECD countries where this data is also available.

Table 2: Financing of ECEC across a selection of OECD countries (2021 EAG)

	EAG 2021 (Reference year 2018)							
	Australia	New Zealand	Finland	Spain	Chile	Israel	Germany	OECD avg.
Total annual expenditure per child (USD PPP)	7,700	9,177	14,154	7,981	7,722	5,226	13,509	10,118
Total annual expenditure per child (USD PPP) (aged 3 to 5 in ECEC and primary education)	8,488	8,550	12,051	7,578	7,549	6,321	11,568	9,123
Total expenditure as a % of GDP	0.6%	0.8%	1.2%	0.7%	1.3%	1.3%	1.0%	0.9%
Total expenditure as a % GDP (aged 3 to 5 in ECEC and primary education)	0.5%	0.7%	0.6%	0.5%	1.0%	0.9%	0.5%	0.6%

There are significant differences in ECEC systems across OECD countries, including the types of services available, the age of children, the quality and funding arrangements and the average hours of attendance. Each country has distinct funding and organisational structures for their ECEC systems, making any direct comparison between countries difficult.

A complete set of the OECD EAG publications can be accessed at: https://www.oecd-ilibrary.org/education/education-at-a-glance-2000_eag-2000-en

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QUESTION ON NOTICE

Date of hearing: 16 September 2022

Outcome: Early Childhood and Youth

Department of Education Question No. IQ22-000013

Senator Linda White on 16 September 2022, Proof Hansard page 15

JobKeeper - childcare workers

Question

Senator WHITE: ... I want to ask the Department of Education: do you think that maybe taking JobKeeper away from childcare workers in July 2020 might have had something to do with the increasing of shortages of workers in child care? They were one of the first groups—
CHAIR: Yes, the first.

Senator WHITE: In fact, they were the first group to lose JobKeeper. I heard what you said— maybe I'm going to answer my own question—in relation to the subsidy of employers. That was what the policy was designed for, but wasn't the taking of JobKeeper away from childcare workers designed to discourage them from being in the sector?

Ms Twyman: I'll have a go at that one. It's certainly not appropriate for me to give an opinion on a government policy as a public servant. Certainly, that is factual, that it was changed. So far as I understand it, and I will defer to my colleague Ms Arcaro, there were arrangements put in place for the support for our services, during that COVID time, that did encompass support for their workforce as well.

Ms Arcaro: I can take this on notice and confirm, but my recollection is that as part of the ability to claim or get the CCS, during that time of free child care, providers had to commit to not lose staff.

Ms Twyman: That's right.

Ms Arcaro: So it was a bit of a—but the payment was almost to encourage providers to continue to pay wages and to support the sector during that time. That was the rationale, is my understanding, but we can take that on notice.

Ms Twyman: We will certainly get more details on that.

Dr Whitehead: Why don't we find out how that went, then, taking money away from people and subsidising their wages? Did that help them stay? I'd be interested to see if that was a pivotal point in the decline of participation.

Ms Twyman: We'll take that on notice to get you the exact details of how that payment process works. My apologies, Ms Arcaro. You weren't in the department at that stage. But it was very much part of the workforce issue. We will take that one on notice.

Answer

The department implemented the Transition Payment from 13 July 2020. As a condition of payment eligibility, early childhood education and care providers were required to continue to employ and offer work to their employees. To ensure the support was appropriately targeted and avoid windfall gains, JobKeeper ceased for employees working for providers receiving the Transition Payment.

The early childhood education and care workforce grew in the period immediately following the cessation of JobKeeper payments to the sector in July 2020 and workforce numbers

subsequently stabilised. The following table shows the seasonally adjusted ABS Labour Force Survey estimates of the early childhood education and care sector workforce:

National Skills Commission (seasonally adjusted) ABS Detailed Labour Force Survey data Total employed in the early childhood education and care sector (February 2020 to February 2021)	
Period	Number
February 2020	201,600
May 2020	180,000
August 2020	200,300
November 2020	194,700
February 2021	198,400