



Australian Government
Department of Education

Deputy Secretary
Jackie Wilson

Ms Julia Agostino
Committee Secretary
Senate Standing Committee on Education and Employment
Parliament House
CANBERRA ACT 2600

Dear Ms Agostino

**Inquiry into the Family Assistance Legislation Amendment (Child Care Measures) Bill (No. 2)
2014**

As you are aware, during the Department of Education's appearance before the Committee's hearing on 25 August 2014, the department took several questions on notice.

Please find attached the department's responses to these questions.

Yours sincerely

Jackie Wilson

26 August 2014

**Senate Standing Committee on Education and Employment consideration of the Family
Assistance Legislation Amendment (Child Care Measures) Bill (No. 2) 2014**

Questions taken on notice at the hearing

Question:

Senator LINES: Will the department provide the latest figures on child care benefit recipients—specifically, how many families and how many children are receiving CCB nationally? Could you break that down by each state and territory and for each federal electorate?

Response

Table 1 contains the number of families and children receiving CCB by state and territory. This data is for the September quarter 2013. Data by federal electorate is not available as it would be an unreasonable diversion of departmental resources to produce it.

**Table 1: Number of families and children receiving CCB
September quarter 2013**

State/Territory	Families	Children
NSW	171,360	237,660
VIC	129,120	192,250
QLD	134,860	196,860
SA	41,830	61,990
WA	37,770	52,880
TAS	12,360	18,020
NT	3,590	4,880
ACT	6,750	9,240
Australia	535,440	770,750

Source: Department of Education administrative data

Question:

Senator LINES: Prior to 1 July, had you worked with the Department of Human Services to develop a message around the new bill?

Mrs Pearce: Yes.

Senator LINES: And that was to use all of those communication streams that you just outlined to indicate there had been a change to CCB?

Mrs Pearce: Yes.

Senator LINES: How long did it take and how many staff were involved in that work?

Mr Willing: From the Department of Education or DHS?

Senator LINES: Both.

Response

A communication strategy for the measure has been jointly developed by the Department of Education (Education) and the Department of Human Services (DHS). Four Education and two DHS staff members were engaged intermittently on this task over a period of approximately two weeks.

Question:

Senator HANSON-YOUNG: Okay, I accept that, and each individual family can go and do that. But we are here to try and make the decision as to whether we want to see these changes happen or not—whether the pain for families is worth it, effectively. Let us be up-front. That is what our job, today, is partly in relation to. Could you take on notice for us scenario 1 and 2 from the ECA submissions. Scenario 1, which I quoted from, is 'part-time care, family with one child'. Scenario 2 is one child—that still says 'part-time'—

Senator LINES: No, you want page 18.

Senator HANSON-YOUNG: Sorry. And scenario 4 is: 'full-time care for family with one child'. Could you take those, use your modelling and come back to us with what you think the out-of-pocket costs for those income brackets are going to be?

Mr Willing: We can certainly take that on notice—

...

Senator HANSON-YOUNG: You can see what I am trying to ascertain. We know that half a million families are going to be impacted; I want to know what those scenarios look like, because there is a big difference between saying you are going to lose a couple of hundred dollars a year versus a couple of thousand dollars a year.

Mr Willing: We will see what we can do. Yes, the numbers are national, total and full-year: both the numbers of families and the amounts I have talked about previously, the \$32 million. The modelling will not give us the breakdown, but we can see what we can do in relation to the ECA.

Senator HANSON-YOUNG: I would appreciate that.

Mr Willing: That was scenarios 1, 2 and 4?

Senator HANSON-YOUNG: 1 and 4.

Mr Willing: 1 and 4—okay.

Response

The department's child care fee assistance model focuses on the impact of the measure on families from a Government subsidy perspective; it does not include the out-of-pocket costs for families accessing approved care.

Question:

Senator LINES: Can you take on notice and get an answer as to why they are saying into the forward estimates that fees will go down. I have looked at the MyChild website, and the figures do not show fees going down.

Response

The Department's child care fee assistance model assumes that fees will continue to grow over the forward estimates period.

Question:

Senator LINES: Did the Howard government, from your memory, ever freeze CCB?

Response

No.

Question provided in writing

Senator Lines:

During the hearing the department indicated that it could supply information on a number of different family scenarios so that the committee can get a better understanding of who will be impacted.

Could the department provide information on how the bill would impact over the forward estimates on:

- a) a family with one child on \$45,000 per annum
- b) a family with one child on \$55,000 per annum
- c) a family with one child on \$80,000 per annum
- d) a family with one child on \$110,000 per annum
- e) a family with one child on \$145,000 per annum
- f) a family with 2 children on \$45,000 per annum
- g) a family with 2 children on \$55,000 per annum
- h) a family with 2 children on \$80,000 per annum
- i) a family with 2 children on \$110,000 per annum
- j) a family with 2 children on \$145,000 per annum

Response

The reduction in Child Care Benefit by income ranges cannot be provided as a family's Child Care Benefit entitlement depends not only on income but on a range of family circumstances, such as the number of children in care, the type and amount of care used and the parent's work, training or study commitments in a week.