

## Senate Committee: Education and Employment

### QUESTION ON NOTICE Budget Estimates 2018 - 2019

#### Outcome: Early Childhood and Child Care

#### Department of Education and Training Question No. SQ18-000338

#### *Childcare Subsidy Modelling*

#### Question

Senator LINES: All right. What's the assumption for childcare fees—and I know you've explained the modelling that finance do in the past; I forget the name of it now—used in the current modelling of the child care subsidy now and over the forward estimates? And if you have to take that on notice, can we have that for long day care, family day care and outside-school-hours care?

Ms Wilson: Yes, we can do that on notice.

Senator LINES: What are the assumptions for the number of children using child care and early education in the current modelling of the subsidy now and over the forward estimates?

Ms Wilson: I think we keep updating that as a QON for you regularly! We did the last update at MYEFO—

Senator LINES: Yes.

Ms Wilson: I think we have broken it down by care type and by year.

Senator LINES: Okay. Could we have that for long day care, family day care and outside-school-hours care?

Ms Wilson: Yes.

#### Answer

The Department of Education has updated SQ18-000096 as requested.

Table 1 presents the number of children and families estimated to be using approved child care over the period 2017–18 to 2021–22 (estimated at each budget round).

**Table 1: Estimated children and families using approved child care**

| Count    | Budget round   | 2017–18   | 2018–19   | 2019–20   | 2020–21   | 2021–22   |
|----------|----------------|-----------|-----------|-----------|-----------|-----------|
| Children | Budget 2016–17 | 1,893,000 | 2,071,000 | 2,181,000 | N/A       | N/A       |
|          | MYEFO 2016–17  | 1,739,000 | 1,811,000 | 1,881,000 | N/A       | N/A       |
|          | Budget 2017–18 | 1,675,000 | 1,735,000 | 1,794,000 | 1,852,000 | N/A       |
|          | MYEFO 2017–18  | 1,648,000 | 1,707,000 | 1,767,000 | 1,827,000 | N/A       |
|          | Budget 2018–19 | 1,634,000 | 1,689,000 | 1,748,000 | 1,808,000 | 1,869,000 |
| Families | Budget 2016–17 | 1,255,000 | 1,373,000 | 1,445,000 | N/A       | N/A       |
|          | MYEFO 2016–17  | 1,152,000 | 1,199,000 | 1,246,000 | N/A       | N/A       |
|          | Budget 2017–18 | 1,110,000 | 1,148,000 | 1,185,000 | 1,223,000 | N/A       |
|          | MYEFO 2017–18  | 1,097,000 | 1,135,000 | 1,174,000 | 1,213,000 | N/A       |
|          | Budget 2018–19 | 1,090,000 | 1,126,000 | 1,164,000 | 1,204,000 | 1,244,000 |

Please note - the child care forward estimates model was redesigned at MYEFO 2016–17. This largely accounts for the change in the number of children and families between Budget 2016–17 and MYEFO 2016–17. Since MYEFO 2016–17, the difference largely reflects the impact of compliance measures in Family Day Care.

Table 2 presents the projected hourly fee growth by service type across 2017–18 to 2021–22

**Table 2: Projected Child Care Hourly Fee Growth 2017–18 to 2021–22**

|                    | 2017–18 | 2018–19 | 2019–20 | 2020–21 | 2021–22 |
|--------------------|---------|---------|---------|---------|---------|
| After School Care  | 3.50%   | 4.10%   | 3.80%   | 3.60%   | 3.60%   |
| Before School Care | 3.90%   | 4.60%   | 4.40%   | 3.90%   | 4.00%   |
| Family Day Care    | 3.00%   | 3.10%   | 3.00%   | 2.90%   | 2.70%   |
| Long Day Care      | 5.00%   | 4.60%   | 4.50%   | 4.20%   | 4.20%   |
| Vacation Care      | 2.70%   | 2.80%   | 2.30%   | 2.90%   | 2.50%   |

Source: Child Care Forward Estimates Model (CCFEM) as at Budget 2018–19