

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
SOCIAL SERVICES PORTFOLIO
2015-16 Budget Estimates Hearings

Outcome Number: 2.4 Support for Child Care System Question No: SQ15-000456

Topic: Workforce participation - assumption

Hansard page: Written

Senator Lines, Sue asked:

With reference to the Minister's media release announcing the child care changes on 10 May 2015. The media release states:

"It is estimated the new measures will encourage more than 240,000 families to increase their involvement in paid employment, including almost 38,000 jobless families."

1. In formulating these figures, was the availability of jobs taken into account? Or only the hypothetical desire of parents to return to work or work more?
2. Would different outcomes be likely depending on the strength of local labour markets?
3. In formulating these figures, was the availability and/or cost of child care taken into account? Or only the hypothetical desire of parents to access increased hours of affordable care?
4. Was any modelling of second round effects on workforce participation taken into account in the costed child care changes? How? What were the results of the modelling?
5. If second round effects were not taken onto account – why not?

Answer:

- 1, 2, 3. These estimates are based on the proportion of survey participants who indicated they would increase their workforce participation and/or the number of hours worked, as a result of the Jobs for Families package.
4. It is longstanding Government policy in the budget process operating rules that Departments do not model second-round effects.
5. It is longstanding Government policy in the budget process operating rules that Departments do not model second-round effects.