

**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: SQ15-000525**

**Topic: Parameter Variations**

**Hansard page: Written**

**Senator Lines, Sue asked:**

With reference to Figure 30 on p15 of the Budget and forward estimates - charts report 2015-16:

- 1 - Relative to MYEFO, parameter and other variations are expected to decrease expenditure on child care fee assistance by \$0.7 billion. What are these parameter variations?
- 2 - Do they include the freeze to the Child Care Benefit? Can you confirm this has been administratively implemented?
- 3 - As a result of the Budget measures that have increased expenditure, is any of this increase due to additional children coming into the child care system as a result of policy changes? And is it related to increased use in hours of care as a result of policy changes?
- 4 - How many additional children in each year have you forecast will come into the system? And how many extra hours of child care do you expect will be used in each year?
- 5 - Or, is expenditure increasing without additional children in the system or additional hours of care?

**Answer:**

1. At MYEFO the growth of children in care for 2015-16 was estimated to be 8.29%, and hours used was 2.76%. At Budget this was revised to 7.20% and 2.60% respectively. This revision also affects the estimated growth across the out years.
2. The Budget estimates include the remaining two years of the 2014-15 maintain Child Care Benefit income eligibility thresholds Budget measure. This measure has not been administratively implemented.
3. The growth of children using care, and the hours of care that are used are included in the Department's modelling, but they are not attributed to specific policy changes.
4. The Department's children growth estimates are based on the net change in the number of children using child care, that is those leaving child care and commencing. The Department is unable to forecast the number of additional children by itself. The Department estimates the rate of growth in the hours of child care used in each year, based on previous years' growth.
5. As above.