

Senate Committee: Education and Employment

**QUESTION ON NOTICE
Additional Estimates 2015 - 2016**

Outcome: Early Childhood and Child Care

Department of Education and Training Question No. SQ16-000072

Senator Lines, Sue asked on 10 February 2016, Proof Hansard page 136

Fee growth

Question

Senator LINES: I can sit here and put as much political spin on this as you can. I am simply asking for factual pieces of information, because it is late and I have got a lot of questions to answer. I absolutely disagree with that statement you have made. I am not going to go into details, because I am actually interested in getting the facts. I want to know why we have got a figure of 6.4 per cent in that second year.

Ms J Wilson: It is agreed based on historical growth rates. I am happy to take on notice—I cannot remember if it is a 10-year average in 2017-18 or if it is a five-year average. I just need to check that. I have not got that information with me.

Answer

The Department of Education and Training's forward estimates model estimated the average fee growth across all services types in 2016-17 would be 6.8 per cent, and in 2017-18 it would be 6.4 per cent. The model estimates the rate of fee growth based on a number of agreed parameters, including Treasury's projections of the Consumer Price Index and the Wage Price Index, and other data such as staff to child ratios in child care services. It is the combination of all of these factors that produces the estimate of fee growth. Differences in these parameters across the out years will impact the estimated rate of fee growth.