

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. SQ16-000142

Senator Lines, Sue provided in writing

Number of families worse off for each income range

Question

In relation to the Minister's media release from 30 January 2016 "One million families to benefit from child care reforms".

For each of the income ranges in the Education Minister's media release, how many families will be worse off because of the activity test, and how many will be worse off because of the benchmark price? How many will be worse off for any other reason? Can the Department also provide this information broken down by number of children?

- a. < \$65,710
- b. \$65,710 – \$170,710
- c. \$170,710 – \$250,000
- d. \$250,000 +

Answer

See attached information.

Table 1 provides an estimate of the number of families impacted by Child Care Subsidy (CCS) in 2017-18 by income ranges. Families are classified based on their overall subsidy level under CCS compared to what they would receive through the Child Care Benefit and Child Care Rebate.

Table 1: Impact of CCS on families by income band – 2017-18

Family Impact	Families by income band			
	Less than \$65,710	\$65,710 to less than \$170,710	\$170,711 to less than \$250,000	\$250,000 or more
Families who may receive more subsidy	104,100	565,400	142,400	3,800
Families likely to have no change in subsidy	81,000	32,800	19,500	7,200
Families who may receive less subsidy	52,100	26,100	16,000	59,200
Families - unknown impact on subsidy	12,800	0	0	0
Families likely to be ineligible for subsidy	0	29,600	600	300
Total Families	250,000	653,900	178,400	70,400

Source: Legislative Out-years Customisable Model of Child Care (LOCMOCC) 2013, Department of Education and Training as at MYEFO 2015

Note: Totals may not match due to rounding

Table 2 provides a breakdown of the number of families estimated to receive less subsidy under CCS by reason. Families are classified based on their overall subsidy level under CCS compared to what they would receive under through the Child Care Benefit and Child Care Rebate.

Table 2: Families who may receive less subsidy by reason and income band – 2017-18

Reason for potential decrease in subsidy	Families by income band			
	Less than \$65,710	\$65,710 to less than \$170,710	\$170,711 to less than \$250,000	\$250,000 or more
Activity test	28,000	7,600	500	900
Hitting fee cap	6,200	10,500	13,700	16,100
Both - activity test and fee cap	1,200	1,000	200	600
Other reason	16,800	7,000	1,600	18,300
Reduction in subsidy level	0	0	0	23,200
Total Families worse off	52,100	26,100	16,000	59,200

Source: Legislative Out-years Customisable Model of Child Care (LOCMOCC) 2013, Department of Education and Training as at MYEFO 2015

Note 1: Totals may not match due to rounding. Note 2: Families may receive less subsidy under CCS due to other reasons which cannot be separately identified.

The Department of Education and Training is not able to break this same information down by the number of individual children. Families are assessed as better or worse off based on the overall net family position across all children in the family in care. Not all children in a family are necessarily better or worse off compared to the current Child Care Benefit and Child Care Rebate arrangements as children within a family may be attending different care types with different fees, or may have different circumstances applying to them.