

Senate Standing Committee on Education Employment and Workplace Relations

**QUESTIONS ON NOTICE
Budget Estimates 2013-2014**

Outcome 1 - Early Childhood, Working Age and Indigenous Participation

DEEWR Question No. EW0202_14

Senator Bilyk asked on 5 June 2013, Hansard page 42

Question

Productivity Commission report into the early childhood development workforce

Senator BILYK: That would be really good. My last question is about the early childhood workforce. I particularly wanted to ask about the Productivity Commission's report into the early childhood development workforce. On page 49 of the report there is an interesting section called 'Changing the funding structure to improve targeting'. The Productivity Commission's report then summarises the elements of the Henry review recommendations on child care and it says: Childcare assistance should be means- tested based on family income. Then directly after that on page 50 with recommendation 3.6 it states: Governments should consider alternative structures for child care subsidies that improve the targeting of child care assistance. I am interested to know what the meaning of targeting is. Does that refer to means-testing? Ms Taylor: I do not have the report in front of me. I will take that on notice to get it exactly right. From my recollection, I think they were referring to means-testing and targeting towards low-income brackets. They talked in that report about how that might be done or what that might look like but it was around the income levels of families. Senator BILYK: If you could take that on notice I would be interested to know if the department's understanding is the same: that it should be means-tested as in the Henry review. Senator BILYK: They certainly raised that issue from my recollection. It is a little while since I read the report. I understand that they raised that and raised it also in the context of means-testing.

Answer

The Productivity Commission report on Early Childhood Development Workforce refers to the *2009 Review of Australia's Future Tax System* (Henry Review). One of the recommendations of the Henry Review was that child care assistance should be means tested based on family income.