

**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. EW0213_14

Senator Cash asked on 5 June 2013, Hansard page 53

Question

Child Care Rebate and Child Care Benefit recipients

Senator CASH: On page 40 of the portfolio budget statement in table 2.1.2a there is a column entitled 'number of families receiving both CCB and CCR'. You will see that there is a spike downwards between the 2012-13 and 2013-14 financial years and then it spikes upwards and continues to trend upwards for the forward years. What is the reason for the spike downwards from 659,000 to 652,000. Ms Caldwell: The breakdown of families who receive both CCB and CCR or only the childcare benefit or only the childcare rebate varies over time. What you are seeing there is that the total numbers are reflecting the growth in the number of families and of children using child care. The department models its estimates of the distribution of those families from our available information. In particular, we regularly update our base reference week modelling in the light of additional information that comes through, either from the ABS or from our own administrative data. In 2013-14 and in the out years, there is a straight series in terms of the number of families—a clear trend across those three categories. There is some adjustment in the distribution between the previously published 2012-13 and 2013-14 figures, reflecting new administrative data feeding into that. Senator CASH: Is the 7,000 there the same 7,000 that Senator McKenzie made the point about 7,000 PhDs previously? Have we seen a drop-off of 7,000? It is 659,000 down to 652,000. What happened to them? Ms Caldwell: The 659,000 and 652,000 are those families who are receiving both forms of payment. Senator CASH: Correct. I just want to know why there is a decrease. Ms Caldwell: The status of some of those families will have changed to child care rebate only. There is an increase in the number of them. Senator CASH: Yes. Ms Taylor: If you look at the number of CCB and CCR families— Senator CASH: I need to understand what is the reason why between these two financial years there is a significant decrease but in then in the forward years—2014-15, 2015-16 and 2016-17—there is the trend upwards that you have referred to. What has changed? Ms Caldwell: What has changed is that we now have additional information on the income split of families who are accessing child care. In the line before that, as you mentioned, we see a growth in the number of families overall. We have updated our data on the latest breakdown of incomes that families in the system have and how that affects the mix of families having both the means tested and the non means tested payments are one of those payments alone. Senator CASH: So you are saying that it is a change in the type of data that you have analysed. Ms Taylor: It is because of an update of data that we analyse. I would like to take this on notice, but it may be that in the revised budget for this year that is actually higher and hence the revision. We may have seen a spike in the number of families for this year. Senator CASH: Could you take that on notice. You can see why we are interested. Ms Taylor: I will take that on notice. Absolutely.

Answer

The total number of families assisted by child care fee assistance is projected to increase over time. However, the projected number and distribution of families receiving the means tested Child Care Benefit (CCB) and/or the non means tested Child Care Rebate (CCR) is sensitive to changes in family incomes over time. Projections in the Portfolio Budget Statements 2013-14 relating to the Program 1.2 deliverables between 2012–13 and 2013–14 and future years reflect updates to data on the distribution of families between the CCB and CCR payments. The actuals for 2012–13 will be reported in the DEEWR Annual Report.