

Senate Standing Committee on Education and Employment

QUESTIONS ON NOTICE Supplementary Budget Estimates 2013-2014

Outcome 1 - Early Childhood Education and Child Care

Department of Education Question No. ED0097_14
Senator Lines provided in writing.

Question Child Care Affordability

In an article in the Sunday Telegraph on November 23, 2013, the Assistant Minister for Education said child care costs have “gone up 44 per cent over the last six years”. Have out-of-pocket child care costs for parents gone up by 44 percent between the september quarter 2007 and the September quarter 2013 i.e. over the last six years? How was the 44 per cent increase referred to by the Assistant Minister been calculated? How has this increase been calculated? Is this method the standard, and accepted, method for calculating changes in costs/prices? Between the September quarter 2007 and the September quarter 2013 i.e. over the last six years, by how much did the ABS Child Care Cost Index increase? Is this equivalent to a 44 per cent increase? For all accepted measures, can the department outline by how much out of pocket child care costs changed between March 1996 and December 2007, and then between December 2007 and September 2013? For this year, and for each year of the forward estimates, how many families would be affected if the Child Care Rebate was means tested at the following family income thresholds: •\$100,000 •\$125,000 •\$150,000 •\$170,000 •\$180,000 N.B. Please provide of impacted families nationally, for each State and Territory and in each federal electorate for this year, and for each year across the forward estimates.

Answer

The 44 per cent is calculated based on Department of Education data using costs per hour in long day care from the September quarter 2007 to the September quarter 2012. This is the standard method the department uses to calculate changes in child care fees. Departmental child care administrative data is not yet available for the September quarter 2013.

The Australian Bureau of Statistics gross child care CPI increased by 42 per cent between the September quarter 2007 and September quarter 2013.

The Department does not have out-of-pocket child care costs as far back as March quarter 1996.

It is not government policy to means test the Child Care Rebate and to produce costings of alternative policies would be an unreasonable diversion of resources.