

Senate Select Committee on COVID-19

QUESTION ON NOTICE

Australian Government's response to the COVID-19 pandemic - 19 May 2020

Outcome: Early Childhood and Child Care

Department of Education, Skills and Employment Question No. IQ20-000006

Senator Katy Gallagher on 19 May 2020, Proof Hansard page 2-3

CCS expenditure for the last Coronavirus-free quarter

Question

CHAIR: The free childcare policy was costed at \$1.6 billion for the June quarter—is that correct?

Dr Baxter: That is for 12 weeks, actually.

CHAIR: From?

Dr Baxter: From 6 April through 28 June.

CHAIR: Is it on track to cost that amount?

Dr Baxter: It is on track. To date, as of 15 May, we've spent \$917 million. That works out to about \$131 million a week, and that gets us to a position where we expect we'll be hitting the \$1.6 billion estimate at the 28 June date. CHAIR: In an average quarter, a pre-corona quarter, what would the department spend on child care?

Dr Baxter: Senator, as you're aware, the childcare subsidy is a demand-driven appropriation.

CHAIR: Yes.

Dr Baxter: So we estimate it on an annual basis, and it shifts from month to month and time to time across the year. We do know that, at the point at which the relief package was introduced, we were seeing approximately a 30 per cent decline in demand—so decline in attendance—and a consequent decline in enrolments. Factoring that into what we expected the spend to be across the 12 weeks, we were looking at approximately \$1.3 billion.

However, that did assume that all of the services remained viable, so it's a fairly generous assumption because at that point we had had quite a lot of material through from providers suggesting that very high numbers of services were on the brink of collapse. Of course, if they weren't there, that childcare subsidy would have been unable to flow.

CHAIR: In your annual projections, it's around \$8.3 billion for childcare subsidy?

Dr Baxter: For 2019-20, that's correct.

CHAIR: That's right. So a quarter—presumably, that \$8.3 billion isn't too lumpy.

Dr Baxter: There is quite a bit of variation across the year generally due to things like school holidays, provision of out-of-home care and vacation care, and the fluctuation of demand across the year. It doesn't generally follow a stable pattern. We do look at it from time to time in terms of what demand and increases to hours and increases to families are doing. It's not generally an estimate that you can simply divide by four. Just to give you an example, if you look at the last three or four years, you can see right back to 2017-18, where estimates didn't necessarily track as we expected them to.

CHAIR: I've only got a short amount of time before I have to hand the call over. In terms of the last corona-free quarter, what would you have spent on that?

Dr Baxter: I'd have to take that on notice; I don't have the material broken down by quarter. We just report it annually—we put it annually at budget and at MYEFO.

Answer

Approximately \$2.07 billion was spent on Child Care Subsidy and Additional Child Care Subsidy in the December quarter 2019. It should be noted that child care expenditure varies from quarter to quarter due to a number of factors, including changes in usage and the timing of school holidays.

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Department of Education, Skills and Employment Question No. IQ20-000011

Senator Jacqui Lambie on 19 May 2020, Proof Hansard page 16

FDC representatives consulted before, during and after the Relief package announcement

Question

Senator LAMBIE: Was anyone from the early childhood education sector spoken to? I'm quite sure there would be a few groups out there that would have wanted to have their bit, or their presence, heard. So before that relief package was announced, was there anybody else?

Dr Baxter: I can certainly tell you that we did have discussions with services and other representatives of state and national organisations for family day care prior to the relief package. Some of those occurred through one of the divisions that sits within my group. I don't have a listing of all of those discussions here. I can take it on notice to provide you with some of those discussions so that you're aware of who we spoke to and when.

Senator LAMBIE: That would be great.

Dr Baxter: We also worked very closely with those same representatives as we implemented the package, and there were things like the work that we did as the JobKeeper payment landed, particularly with the tax office, to help get advice to the sector about what it would mean to them. But I can get you that on notice.

Senator LAMBIE: That would be great. If you can give me the before, the after and the during, that would be helpful.

Dr Baxter: Yes.

Answer

In designing the Early Childhood Education and Care (ECEC) Relief Package, the Australian Government listened to the concerns of peak industry organisations for the child care sector and received detailed information about sector operations.

In the period leading up to the ECEC Relief Package, between 7 February 2020 and the launch of the Relief Package on 2 April 2020, the Early Childhood Education and Care Reference Group (ECECRG) met nine times, focussing on issues arising from the COVID-19 pandemic and identifying policy solutions to ensure sector viability and provision of care services.

ECECRG member organisations include: Australian Childcare Alliance (ACA), Early Learning and Care Council of Australia, Early Learning and Care Council of Australia, Lady Gowrie Tasmania, Early Childhood Australia, Early Childhood Australia National Association of Mobile Services for Rural and Remote Families and Children, Goodstart Early Learning, Family Day Care Australia (FDCA), National Outside School Hours Services Association, Occasional Child Care Australia, SNAICC, Community Child Care Association, Early Learning Association Australia.

The Department of Education, Skills and Employment worked closely with the FDCA to ensure that the department understood FDC sector specific challenges during COVID. From the onset of the coronavirus pandemic, and in the lead up to the announcement of the ECEC Relief Package on 2 April 2020, FDCA was extensively consulted. On at least 20 occasions, prior to the announcement the department and FDCA engaged in a mix of small group discussions, one on one phone calls, emails, formal and informal meetings, submissions and information exchange.

The department continues to engage with peak bodies across the child care sector to work to resolve issues as they arise during implementation. This includes facilitation of discussions between FDCA the ATO regarding 'JobKeeper' eligibility and educator access. The department has also identified and participated in focussed conversations on particular areas of concern such as attendance rates, workforce, health advice and regulation.

The department has actively sought input from services about their views on the support being provided through the ECEC Relief package. Over 7000 (more than half the sector) services had their say, responding to the first ECEC Relief Package survey. The results showed that the Relief Package has helped over 80 per cent of services to stay open, retain staff and continue to provide early childhood education and care. Services were also invited to make submissions to the ECEC Relief Package Four Week Review. The [summary report](#) has been published on the department's website. Services have recently participated in a second/follow up survey on the ECEC Relief Package.

A range of targeted and regular consultation and workshop sessions have also been held. The following organisations have been represented: FDCA, Family Day Care NSW, Family Day Care QLD, Family Day Care Association of Western Australia, Adventure Patch Family Day Care (Tasmania), Bright Sun Family Day Care Service (Victoria), Wanslea (FDC and In Home Care provider in Western Australia), Australian Home Childcare Association, Team Kids, Camp Australia, YMCA Australia, Their Care, GRACosway, Outside School Hours Care Association of SA, Catholic Education WA, OSHC/LDC Network of Communities, Community Child Care Association, Junior Adventures Group, and State and Territory Regulatory Authorities. In addition to this, there have been a significant number of one on one discussions with departmental representatives and individual providers.

Planning for transition is under consideration and has been discussed with the stakeholder peak and provider representative groups detailed above. This work will also be informed by the results of the second provider survey.

Engagement with ECEC peak bodies and a range of providers and services across all care types around future arrangements is ongoing. The department appreciates and highly values the contribution and feedback and looks forward to continued collaboration in coming months.

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Department of Education, Skills and Employment Question No. IQ20-000019

Senator Katy Gallagher on 19 May 2020, Proof Hansard page 30

Exceptional circumstance supplementary payment fund applications received via the Minister

Question

CHAIR: Okay. Have any of these applications come through the minister's office?

Dr Baxter: Sometimes there are organisations which have applied through the exceptional circumstances process who call us directly, one of our staff that they might know, the helpline—

CHAIR: I'm asking about the minister's office.

Dr Baxter: or the minister's office.

CHAIR: Thank you.

Dr Baxter: But any organisation that comes through any of those processes is treated the same. We may give them information, when they ring up, to tell them where they're at in the process, but they are still subject to exactly the same administrative processes in exceptional circumstances.

CHAIR: Can you tell me how many would have come through the minister's office?

Dr Baxter: No, I can't.

CHAIR: Can you take that on notice, please, and how many you've briefed the minister on in response.

Dr Baxter: I can take it on notice to have a look, but I would say that no applications have come to us via the minister's office.

Answer

All applications processed by the Department of Education, Skills and Employment have been received via formal departmental processes. Applications are submitted via a smart form accessed from the department's website or via email through a service level spreadsheet (using the same application process) for In-Home Care providers, large providers (those with 50 or more services) and providers who are ineligible for JobKeeper.

Only applications submitted via these processes are accepted and assessed.

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QUESTION ON NOTICE

Australian Government's response to the COVID-19 pandemic - 19 May 2020

Outcome: Early Childhood and Child Care

Department of Education, Skills and Employment Question No. IQ20-000020

Senator Katy Gallagher on 19 May 2020, Proof Hansard page 30

Exceptional circumstance supplementary payment fund

Question

CHAIR: How much are the payments? What are the varying levels of payment? What's the lowest amount of payment someone has got this?

Dr Baxter: I'd have to take on notice what the lowest amount of payment people have received is. There are a number of different allocations for payment, depending on the grounds for which you're eligible.

Answer

The range of exceptional circumstances supplementary payments to date is from \$100 to \$12,000 per week. This is in addition to the base rate of the ECEC Relief Payment.

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Australian Government's response to the COVID-19 pandemic - 19 May 2020

Outcome: Early Childhood and Child Care

Department of Education, Skills and Employment Question No. IQ20-000026

Senator Jacqui Lambie on 19 May 2020, Proof Hansard page 35

Delay in applications for exceptional circumstances supplement

Question

Senator LAMBIE: How many of these people or how many of these groups have you still got who put that application in in the first week and are still waiting for decisions to be made five weeks later?

Dr Baxter: I can take that on notice

Answer

There are 13 applications for supplementary payments still awaiting a decision from 9 April 2020 to 15 April 2020. All 13 services have been contacted and asked to provide additional information as the original evidence they provided does not support the information in the application.

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Australian Government's response to the COVID-19 pandemic - 19 May 2020

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Department of Education, Skills and Employment Question No. IQ20-000027

Senator Katy Gallagher on 19 May 2020, Proof Hansard page 35

Rejected applications

Question

CHAIR: Dr Baxter, I asked you earlier about the ones that had been rejected. Do you have a number for that?

Dr Baxter: As I said before, no, I don't.

CHAIR: I just can't believe there isn't a number on how many have been—

Dr Baxter: We can certainly take on notice to give you numbers—

CHAIR: I think it would be useful.

Dr Baxter: at points in time of those who have been sent letters, but some of those who've been sent letters we are now working with, to try to support them, rather than just—

CHAIR: Okay—a point in time would be useful, because you've got 1,559 that applied.

You've told us 659 have been approved as of 15 May. I think what we're trying to understand is: what are the ones that haven't been approved?

Dr Baxter: Yes. Sure.

Answer

Please refer to IQ20-000037.

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Department of Education, Skills and Employment Question No. IQ20-000029

Senator Katy Gallagher on 19 May 2020, Proof Hansard page 32

Ineligible categories for JobKeeper

Question

CHAIR: Your evidence before was that there is a very small group of services that would not have 85 per cent of their income safeguarded to deliver the 60 per cent of care required through occupancy. I'm asking: can you provide the committee with that information?

Dr Baxter: That evidence is based on the fact that, for those categories that are not eligible for JobKeeper, government has gone through and made decisions to support those categories, except in a couple of cases. We know which categories are supported and we have an assumption about how much JobKeeper is worth. I would say that it's not worth the same in every service. That assumption of about a third of your fee revenue is an average; the four-week review report that was made available last night pointed out that it doesn't land the same way for every service, but this is a sector average. They're the numbers on which this is based. Looking at the categories ineligible for JobKeeper, looking at the fact that we support those—

CHAIR: Sorry, Dr Baxter; I have to hand the call over. Again, can you provide the committee with exactly that information?

Dr Baxter: I'm certainly happy to take on notice what we can provide.

Answer

Only child care services operated by a state or local government are ineligible to receive JobKeeper and ineligible to receive child care supplementary funding for their JobKeeper ineligibility.

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Department of Education, Skills and Employment Question No. IQ20-000032

Senator Jacqui Lambie on 19 May 2020, Proof Hansard page 34

List of council providers

Question

Senator LAMBIE: Is there any concern whatsoever that council-run childcare services will have to close as a result of this? Is there any, I guess, chatter of this going on? Is there any concern?

Dr Baxter: We have been speaking to those local council operated childcare services who are impacted. In fact, I ran a specific consultation with them about a week ago, so we are aware of the situation that they're in. I'm not aware directly of any planned closures except for one which has been in the media, around Wagga Wagga. The council there said it was a closure that had been planned prior to COVID. I am aware that it's a council-run family day care service which is planning to close in the new financial year. Other than that, I'm not aware specifically, but we do continue to talk to this sector and we are aware of the concerns that they're raising.

Senator LAMBIE: Would you be able to provide a list of who you're consulting with in that sector, please?

Dr Baxter: Yes, I may actually have that with me.

Senator LAMBIE: That's alright. You can just pass that on to the committee.

Dr Baxter: No problem. I have a list of all of the people who've attended the consultations, so we can just pass that over.

Answer

Further to the evidence provided to the Committee, the Department of Education, Skills and Employment is not aware of any council run services that have ceased operating due to COVID-19 issues. The New South Wales Government is meeting the extra costs for local council and state government providers unable to access JobKeeper. The South Australian Government is also providing additional funding for councils that operate child care services.

The department has consulted with the following local government peak bodies and councils that provide early childhood education and care services.

Organisation
City of Norwood Payneham & St Peters (SA)
District Council of Karoonda East Murray (SA)
Huon Valley Council (TAS)
Glenorchy City Council (TAS)
Kids Early Learning Blacktown City (NSW)
Northern Beaches Council (NSW)
Greater Hume Council (NSW)
Cumberland City Council (NSW)
Golden Plains Shire (VIC)
Whitehorse City (VIC)
Shire of Dowerin (WA)
Town of Bassendean (WA)
Australian Local Government Association
Local Government NSW (LGNSW)
Municipal Association of Victoria (VIC)