

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Inquiry into the Family Assistance Legislation Amendment (Cheaper Child Care) Bill 2022

2022 - 2023

Division: Macroeconomic Analysis and Policy Division
Topic: Labour participation impacts - days worked
Reference: Spoken 2 November 2022
Senator: Matt O'Sullivan

Question:

Senator O'SULLIVAN: Indeed. The shadow minister—when he was the shadow minister, prior to the election—for early childhood and education claimed that Labor's policy would unlock an extra 220,000 days a week for second income earners, predominantly mothers. Has the department done any modelling, since the election and prior to the presentation of this bill, to determine how many days the government's policy would unlock?

Mr Cully: We have a figure of up to 1.4 million hours per week in 2023-24. If you were to divide that number by average hours worked—which I haven't done, but we could do that—I think you would find that we would be in a pretty similar ballpark to that number that you quoted to me about the days.

Senator O'SULLIVAN: The 220,000. Okay. It's a bit hard to compare apples with apples, though, isn't it? I don't know what that's based on. Maybe you could do that.

Mr Cully: Yes, certainly.

Senator O'SULLIVAN: You've offered to do that. Could you just do your own calculation and come back to us—

Mr Cully: Yes, I'll take that on notice.

Senator O'SULLIVAN: on the average number, the average weekly hours that people would work.

Answer:

Treasury estimates the Government's Child Care Subsidy changes will increase hours worked by women with young children by up to 1.4 million hours per week in 2023-24. Assuming a standard 38 hour week (7.6 hour days), this is equivalent to up to around 185,000 extra work days. We note though that many parents and carers, especially women, do not work standard hours. As such, the hours worked estimate is preferred. The 220,000 figure is based on independent modelling by the Grattan Institute.