

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Department of Finance and Administration

February Additional Estimates Hearings 2003-04 – 17 February 2004

Question: F24

Outcome 1 – Sustainable Government Finances, Output 1.1 - Budget

Topic: In-home care, costing assumptions for the provision of 7,000 additional places.

Hansard Page: F&PA 69-70

Senator Jacinta Collins asked:

Now that you've raised that, let me ask a further question about the costings that were done at the time in relation to the government's announcement of the in-home care child-care program. Were they done within your department and, if so, what was the basis of those assumptions?

Answer:

The provision of 7,700 additional in-home care places was included as part of the 2000-01 Budget measure *Stronger Families and Communities Strategy – greater flexibility and choice in child care initiative*. The Department of Finance and Administration agreed the costs for the additional places with the Department of Family and Community Services.

The costings consisted of three elements:

FaCS Administered – Costs involved in the measure were based on additional Child Care Benefit (CCB) being paid to eligible parents for 7,700 places, at a cost of \$33.6 million over four years and \$14.8 million over four years relating to the child care subsidies required to establish the extra places provided through the Child Care Support Programme (CCSP). These costs were based on the cost of establishing Family Day Care places.

FaCS Departmental - The costing assumed additional departmental staffing requirements of four and a half staff for FaCS in 2000-01 and two full-time equivalents (FTE) for 2001-02 to establish and administer the places. In addition, the costing assumed publicity and staff training costs of \$0.7 million. Total costs assumed for FaCS departmental were \$1.4 million over two years.

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Summary of costs:

Additional 7,700 In-home Child Care Places: summary of costs (underlying cash)					
	2000-01 (\$m)	2001-02 (\$m)	2002-03 (\$m)	2003-04 (\$m)	Total (\$m)
FaCS Administered - CCB	-1.220	-4.867	-10.447	-17.094	-33.628
FaCS Administered - CCSP	-0.641	-2.285	-4.627	-7.255	-14.808
FaCS Departmental	-1.063	-0.304	0.000	0.000	-1.367
Total	-2.924	-7.456	-15.074	-24.349	-49.803

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Cleared by (SES): Kathryn Campbell
Group/Branch: Social Welfare Division
Contact Officer: Lucas Klausen
Telephone No: 6215 3702