

Pages 1-2 deleted under s 22, 47C and s 47E(d)

PROTECTED//CABINET

From: s 22

Sent: Thursday, 30 January 2025 5:40 PM

To: s 22

Cc: s 47E(d)

s 47E(d) s 22

s 22

s 22

Subject: RE: BC modelling request - new families entering ECEC [SEC=PROTECTED, CAVEAT=SH:CABINET]

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Hi s 22 ,

In our behavioural cost modelling, we estimate the number of new families entering ECEC will be approximately 3,000 in the first year of the policy commencing as a result of the three day guarantee policy. s 47C, s 47E(d)

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s
47E(d)

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- The department's modelling assumes those with children aged 0-5 will respond to the policy s 47C, s 47E(d)
- The department's modelling assumes that families only respond to the policy and start using child care if child care costs are the main barrier to work. s 47C, s 47E(d)

We're happy to discuss further.

Kind regards,

s 22

s 22

Economic Analysis Team | Analysis, Data and Measurement Branch | Strategy, Data and Measurement Division

Australian Government Department of Education

Working on s 22

Phone s 22

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A close up of a blue and orange background Description automatically generated



The Department of Education acknowledges the Traditional Owners and Custodians of Country throughout Australia and their continuing connection to land, waters and community. We pay our respects to them and their cultures, and Elders past and present.

The artwork *Guwany wingara yirabana* is our story. It means 'learning journey' in Dharug/Darug language. Designed by Trevor Eastwood from Dalmarrri with our people, the artwork was made by many hands in a powerful gesture showcasing reconciliation in action.

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s 47E(d)

- How the department's modelling accounts for behaviour change:
 - It accounts for existing CCS recipients increasing their ECEC hours and families beginning to use ECEC and newly receiving CCS.

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Impact of the 3 Day Guarantee on demand on ECEC services

s 47E(d)

- The department estimates the increase in ECEC usage would be approximately 2.5 million hours in 2026-27 (not public). This is equivalent to approximately:
 - a 0.15 per cent increase in demand for ECEC hours, or
 - an additional 1,600 children using 3 days of CBDC each week of the year.

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- The department's modelling assumes:

s 47E(d)

- Families with children aged 0-5 are most likely to respond to the "Three Day Guarantee" reform.

s 47E(d)

- Parents would only respond to the reforms if child care costs are the main barrier to working and using child care.

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Pages 11-12 deleted under s 22, 47C and 47E(d)

Pages 13-21 deleted under s 22, 47C and 47E(d)

Pages 22-31 deleted under s 22, 47C, 47E(d)

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Pages 85-97 deleted under s 22 and s 47E(d)

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If asked about approach to estimating behaviour change:

- The department's analysis suggests the increase in ECEC hours is approximately 2.5 million hours in 2026-27 (not public).
 - To put into context, this would be equivalent to an additional 1,600 children using 3 days of CBDC each week of the year.

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- The department estimates around 4,000 children would use CCS-approved ECEC services in 2026-27 in response to the reform, accounting for an increase of approximately 1.4 million ECEC hours in 2026-27 (not public).

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- The modelling assumes parents only respond to the reforms if child care costs are the main barrier to working and using child care.

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- The modelling assumes families with children aged 0-5 are most likely to respond to the *Three Day Guarantee* reform.

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7. *Costing assumptions for the “three day guarantee” over the forward estimates.*

- The department’s costing consists of two components:
 - a) Static cost or ‘day-after’ impact
 - b) Behaviour change modelling

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(b) Behaviour change modelling:

- In addition to the static cost, the department also estimates the cost associated with behaviour change in response to the reform. This behaviour change accounts for:
 - Existing CCS recipients increasing their ECEC hours
 - Families commencing use of ECEC and therefore newly receiving CCS.
- The behaviour modelling makes the following key assumptions:
 - Families with children aged 0-5 would respond to the reform.
 - Parents would only respond to the reform if child care costs are the main barrier to working and using child care.
 - A proportion of the additional hours demanded would be met by the sector, while some would not be met due to limited ECEC places or educators.

s 22

Pages 105 - 106 deleted under s 22

11/03 4:49 pm

Hello s 22 for one of our QoNs we were asked how many additional children were expected to access ECEC. We've inserted 4k children, which I believe came from your team. s 22 had some questions on this which basically amounted to:

- how comfortable are we with the figure?

s 47E(d)

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11/03 4:49 pm

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Hey s 22

The 4,000 number is ok, it's based on some data and some assumption. s 47E(d)
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And then we're saying maybe 3000 families with 4000 children from this group respond to the proposal.

So overall I'm comfortable using the number

s 22 s 22

11/03 4:58 pm

"The department estimates around 4,000 children not currently using early education and care would begin to use early education and care in 2026-27 as a result of the 3 Day Guarantee reform"

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11/03 4:58 pm

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I might seek to clarify when I let her know that you're okay with the 4k figure

s 22 s 22

11/03 5:00 pm Edited

WHAT I WOULD PROBABLY WRITE: "The department estimates around 4,000 children not currently attending care would begin to in 2026-27 as a result of the 3 Day Guarantee"

I think framing that way is fine. And referring to 4,000 is better than any other number we could put there (BTW s 22 said "1,600 kids" in Estimates, which is the 'full-time equivalent kids', because we assume each of the 4,000 kids attends care for like 40% of the week)

Anyway, that's a long-winded way of saying (a) yes we are comfortable with the 4,000 figure. s 22

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