



Australian Government
Department of Human Services

23 September 2019

Committee Secretary
Senate Education and Employment Committees
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee Secretary

Family Assistance Legislation Amendment (Building on the Child Care Package) Bill 2019

The Department of Human Services (the Department) welcomes the opportunity to provide a submission to the Senate Education and Employment Legislation Committee to inform its decision on the introduction of the Family Assistance Legislation (Building on the Child Care Package) Bill 2019.

The Department's centralised service delivery role gives it end-to-end visibility of the impact of policy on service delivery. It also gives the Department valuable citizen insights and service design expertise that has relevance for the broader APS and the government.

This Bill impacts administrative arrangements for the current Child Care Subsidy (CCS) and Additional Child Care Subsidy (ACCS) programmes. The key changes proposed by the Bill impacting the Department are:

- extending the allowable non-attendance period from 8 to 14 weeks,
- extending the number of children self-certified for ACCS (Child wellbeing) by providers,
- refining absence provisions,
- treatment of third party payments in calculating CCS,
- simplifying of CCS claims, and
- clarifying the apportionment of partner income in calculating CCS.

The passage of the Bill would assist in addressing a number of administrative irritants and policy inconsistencies, making it easier for families to access their entitlement to subsidised child care by simplifying the CCS claim process and extending the allowable non-attendance period from 8 to 14 weeks. It also extends CCS and ACCS eligibility, increasing child care affordability for Australian families.

Extending the allowable non-attendance period from 8 to 14 weeks

Increasing the number of weeks at which enrolments automatically cease due to non-attendance from eight to 14 weeks will reduce the regulatory burden currently experienced by families, particularly those using care infrequently and where children only attend outside school hours care (either before or after school care or vacation care) as their enrolments cease as a result of regular breaks in their normal pattern of attendance.

The Department receives frequent feedback from families expressing frustration regarding the disadvantages associated with the automatic cessation of enrolment following a non-attendance period of eight weeks.

The passage of the Bill would remove unnecessary increased contact with the Department at the commencement of each school term by parents having to re-activate their child's enrolment.

Extending the number of children self-certified for ACCS (Child wellbeing) by providers

Under current legislation, providers may give a certificate enabling entitlement to ACCS (child wellbeing) if it considers a child is, or was at risk of serious abuse or neglect. However, the certificate cannot take effect if the total number of children accessing ACCS (child wellbeing) and are also being provided care by the service is greater than 50 per cent. With respect to those children unable to be certified by provider, a determination is submitted with evidence, for consideration by the Department.

The Department agrees that the child care service is best placed to determine if a child is at risk.

Reducing out of pocket expenses for families

The Bill introduces a number of measures effective in reducing out of pocket expenses for families:

Refining absence provisions

Legislation does not currently allow the payment of CCS for an absence that is either before the first day of actual attendance or and/or after the last physical day of attendance. The Department notes the issues this can create for families where genuine absences occur, such as where a child is unexpectedly ill or hospitalised.

The proposed change to enable the Minister to prescribe circumstances under which these absences could attract an entitlement to CCS is welcomed by the Department.

Treatment of third party payments

Currently any co-contribution payment is deducted from the cost of child care prior to calculation of a customer's CCS entitlement. The proposed amendment means the full benefit of third party

contributions, such as payments made by state child protection agencies, will directly reduce out of pocket expenses incurred by vulnerable families, thus ensuring that cost is not a barrier to vulnerable families accessing early learning and child care.

I trust the information provided is useful to the Committee. The Department will endeavour to provide additional information if required.

Yours Sincerely

Debbie Mitchell
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