

Senate Committee: Education and Employment

**QUESTION ON NOTICE
Additional Estimates 2015 - 2016**

Outcome: Early Childhood and Child Care

Department of Education and Training Question No. SQ16-000163

Senator Lines, Sue provided in writing

Activity test - casual and part time workers

Question

In relation to casual and part time workers:

- a. Please explain in detail how casual and part time workers will report the hours they work and determine their level of eligibility under the activity test?
- b. How will averaging provisions work?
- c. What will the consequences be if a last minute change in the expected hours of work means a family does not meet the activity test for a period? Will the parent end up with a debt to the child care centre? Or a debt to the Government?
- d. What are the current rates of debts in relation to the current activity test? Will this go up or down under the new activity test? Given people will have to navigate effectively an extra two steps in the activity test, would you expect this to double the number of people who end up with debts, or who fail to correctly estimate their work?
- e. How will the Department monitor the accuracy of self-reporting?

Answer

- a. Under the *Jobs for Families* Child Care Package, families will continue to self-report their income and activity to the Department of Human Services (DHS).
- b. The activity test is based on the number of hours of recognised activity an individual undertakes per fortnight. To make it easier for individuals working casual or irregular hours, they will be able to estimate their hours of activity over a three month period to ensure their workforce participation is supported. Where circumstances change that would cause individuals to change their estimated hours of activity such that they would move between steps in the activity test, they will need to notify DHS of these changes including a new estimate of hours of activity as required.
- c. The payment of the Child Care Subsidy against entitlements is determined on a fortnightly basis – this is called the CCS fortnight. If a parent notifies a change of circumstances at any time during one fortnightly period, the changes take effect from the start of the next fortnightly period. Delays in notifying changes in activity will be reflected when the person's entitlement is reconciled.
- d. DHS does not store Child Care debt data in a way that would readily enable reporting on the specific reasons for the creation of a debt, other than that the debt is a result of a reconciliation (or re-reconciliation) of the customer's payments.
- e. The new compliance framework will have a strong focus on the prevention and deterrence of non-compliant behaviour, including undertaking random sampling to confirm data submitted by services and families. The approach to the random sample spot checks will be developed in consultation with the DHS in the lead up to July 2017.

Also refer to Question No. SQ16-000923