

Senate Committee: Education and Employment

QUESTION ON NOTICE

Supplementary Budget Estimates 2015 - 2016

Outcome: Early Childhood and Child Care

Department of Education and Training Question No. SQ15-000945

Senator Lines, Sue provided in writing

Additional Child Care Subsidy

Question

In relation to the proposed Additional Child Care Subsidy:

a. According to the Department's website, \$156 million has been allocated to the Additional Child Care Subsidy. In dollar terms, of how this \$156 million will be allocated to the following categories:

- i. children 'at risk' of serious abuse or neglect
- ii. families experiencing temporary financial hardship
- iii. families transitioning to work from income support
- iv. families with incomes below \$65,000 who do not meet the activity test

b. Under the Additional Child Care Subsidy, how many children will be assisted in each of these categories in the first year:

- i. children 'at risk' of serious abuse or neglect
- ii. families experiencing temporary financial hardship
- iii. families transitioning to work from income support
- iv. families with incomes below \$65,000 who do not meet the activity test

c. What happens if need outstrips the allocated funding – will children at need miss out? Will there be limits on the number of children that will be assisted in each category?

d. What is the financial allocation for the Additional Child Care Subsidy in each year of the forward estimates?

e. Given there is a budgeted expenditure of \$112,197,000 on the JETFCCA in 2015-16 alone, how much less support will be available for families transitioning to work under the Additional Child Care Subsidy, compared to the current system?

Answer

- (a) Funding under the Additional Child Care Subsidy, which has been increased to \$178 million from 2017-18 to 2018-19, is not being allocated to each of the elements individually.
- (b) It is estimated that Additional Child Care Subsidy funding will assist about 101,000 children in 2017-18.
- (c) It is not anticipated that demand will outstrip the funding available. The Government has invested an additional \$317 million into the Child Care Safety Net, of which the Additional Child Care Subsidy is a part.

(d) Financial allocations for the Additional Child Care Subsidy are:

- \$85.1 million for 2017-18
- \$92.6 million for 2018-19

The Additional Child Care Subsidy starts from July 2017. There is a small amount of departmental funding in 2015-16 and 2016-17.

(e) JETCCFA ceases on 30 June 2017. The transition to work element of the Additional Child Care Subsidy (ACCS) cannot be directly compared with the JETCCFA programme and consequently the funding is also not directly comparable to the funding under the ACCS. In particular, the transition to work element of the ACCS will be better targeted than JETCCFA to ensure those who genuinely need support receive it. Preliminary JETCCFA data for 2015-16 shows that the changes that were implemented from 1 January 2015 to address identified sharp practice and overcharging in the programme is expected to reduce the overall annual cost significantly below what is budgeted.