

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. SQ15-000951

Senator Lines, Sue provided in writing

Child care contributions from State and Territory authorities

Question

In DSS QoN Q15-000428, the Department noted that “state and territory authorities could contribute” if there is a gap between the actual cost of care for children at risk, and the payment under the child care subsidy.

- a) How would this work?
- b) Have conversations taken place with any of the states and territories about this proposal?
- c) How are children going to be deemed at risk under the proposed new system?
- d) What will the total cost of this possible state and territory contribution be over the forwards?
- e) If no-one makes a contribution to ensure there is no gap between the actual cost of care and level of subsidy, will children at risk miss out on care?

Answer

(a)-(e)

Children who are deemed ‘at risk’ will receive a subsidy equal to the actual fee paid up to 120 per cent of the relevant hourly fee cap, which is expected to cover the fees charged by more than 95 per cent of services.

If a state or territory decides to support a child at risk they could do this by topping up the payments made by the Australian Government through the Child Care Subsidy and the Additional Child Care Subsidy.

The administrative arrangements for how children are going to be deemed at risk are set out in the Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill and will be contained in the Minister’s or Secretary’s rules.