

**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. SQ15-001000**

Senator Lines, Sue provided in writing

***The Child Care Subsidy - Review of the Cap***

**Question**

The proposed subsidy hourly fee cap ('the cap') will be \$11.55 for centre based long day care; \$10.70 for family day care; and \$10.10 for outside school hours care.

The cap has been based on the projected mean price at the time of implementation of the subsidy plus 17.5% for Long Day Care and Out of School Hours Care and 5.75% for Family Day Care.

- a. Will there be a review of the cap price (and methodology for deriving the cap) prior or subsequent commencement of the subsidy that assesses the impact of the cap price limit on children, families and the early childhood education and care sector?
- b. Will there be any ongoing formal commitments to review the impact of the proposed child care subsidy on accessibility, affordability and quality of early education and care?

**Answer**

- a) The Child Care Subsidy fee caps are included in the Family Assistance Legislation Amendment (*Jobs for Families Child Care Package*) Bill 2015 to take effect from July 2017 and will not be subject to review prior to commencement of the legislation.

On commencement of the Child Care Subsidy the hourly fee cap will be \$11.55 for centre based long day care, \$10.70 for family day care, and \$10.10 for outside school hours care. The hourly fee caps will be indexed annually by the Consumer Price Index.

- b) The Australian Government has committed to an ongoing review and evaluation of the Jobs for Families Child Care Package, including the Child Care Subsidy, to ensure its implementation and impact is understood. There will be a post implementation review following 2017-18 and an impact evaluation undertaken between 2020 and 2022.