Jobs for Families Child Care Package

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Early Childhood and Child Care

Early childhood education and care provides the opportunity for:

• children to learn and develop in a safe environment
• children to socialise with other children
• working families to return to work
• vulnerable children, including Indigenous children, to build the skills and attributes they need to be ready for school.
Key child care facts

• Approximately 17,000 services approved for Child Care Benefit in different settings – long day care, family day care, out of school hours care, in home care and occasional care

• Approximately 1.2 million children attend child care and early learning
  – 31% of all children aged 0-12 years in Child Care Benefit approved care
  – 43% of all children aged 0-5 years in Child Care Benefit approved care

• Approximately 300 Budget Based Funded Services.
The Australian Government will invest around $40 billion on child care support over the next four years.

This significant investment includes an increase of more than $3 billion to support the implementation of the Jobs for Families Child Care Package.

The key elements of the Jobs for Families Child Care Package are the:

- Child Care Subsidy
- Activity Test
- Child Care Safety Net:
  - Inclusion Support Programme
  - Additional Child Care Subsidy
  - Community Child Care Fund.
The Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2016

• Provides legislative authority to fully implement the Jobs for Families Child Care Package

• Replicates the provisions of the lapsed Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2015 with some minor amendments

• Replaces the current Child Care Benefit and Child Care Rebate with a new single means-tested Child Care Subsidy

• Provides targeted assistance through a new Child Care Safety Net for vulnerable and disadvantaged children.
Changes to the 2015 Bill

The 2016 Bill includes some minor, technical amendments to the Bill introduced in December 2015:

- Minor technical and corrective changes
  - typographical, cross-references, dates
- Additional Child Care Subsidy payment name change
  - ‘At Risk’ to ‘Child Wellbeing’
- Compliance provisions brought forward to Royal Assent
  - Pause and service provider re-assessment provisions
- Greater flexibility for children over 13 to access care.
Minister’s and Secretary’s Rules

• Provision for around 70 Minister’s and Secretary’s Rules in the Bill, but not all are being made at this time

• Rules contain some of the operational detail that is not included in the primary legislation

• Rules need to be tabled in Parliament and take effect immediately, but are subject to a disallowance period of 15 days.
Activity Test

Key elements:

- 3 steps, more closely aligning hours of subsidised care with hours of activity
- Recognised activities
- Exemption categories
- Low income provision

<table>
<thead>
<tr>
<th>Step</th>
<th>Hours of activity (per fortnight)</th>
<th>Maximum hours of subsidy (per fortnight)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>8 to 16 hours</td>
<td>36 hours</td>
</tr>
<tr>
<td>2</td>
<td>More than 16 to 48 hours</td>
<td>72 hours</td>
</tr>
<tr>
<td>3</td>
<td>More than 48 hours</td>
<td>100 hours</td>
</tr>
</tbody>
</table>
Activity Test – Recognised activities

• The Bill defines a range of activities that are recognised for the purposes of the Child Care Subsidy, including:
  – paid work (whether or not as an employee)
  – a training course for the purpose of improving the individual’s work skills and/or employment prospects
  – an approved course of education or study, and
  – an activity prescribed by the Minister’s Rules.

• The Minister’s Rule will set out what additional activities will be recognised for the purposes of the activity test.

• It will also clarify how activities listed in the Bill will be defined and treated.
Activity Test – Recognised activities

Proposed recognised activities – to be defined in Minister’s rules:

• Unpaid voluntary work
• Unpaid work experience/internship
• Unpaid work in a family business
• Receiving certain income support payments
• Actively looking for work
• Receiving Carer Allowance
• Actively setting up a business
• Other recognised activity
Activity Test Exemptions

• The Bill also makes provision for a Minister’s Rule to prescribe circumstances in which people can be exempt from the Activity Test.

• For example, where people are:
  – unable to meet the activity test or who would have significant difficulty in meeting the activity test due to particular circumstances, or
  – unable to care for their, or their partner’s, children.
Activity Test – Exemption categories

Proposed exemptions – to be defined in Minister’s rules

The individual:
• has a disability
• is outside Australia
• is in prison or otherwise lawfully detained
• is the child’s grandparent or great-grandparent
• is receiving Carer Payment or providing constant care.

The child:
• is attending a preschool program in a centre-based service.
Other relevant circumstances

• An exemption to the Activity Test is also possible where the Secretary is satisfied that exceptional circumstances exist for a person or family.

• Eligibility for the Additional Child Care Subsidy (child wellbeing) provides entitlement for subsidised care irrespective of activity levels.
Other Rules relating to families

• Additional Child Care Subsidy
  – Child Wellbeing
  – Temporary Financial Hardship

• Child Care attendance – additional absences

• Election to allocate a families’ entitlement between services
Rules relating to Provider/Service approval

• Application for provider approvals
• Provider and service eligibility requirements
• Application to add or remove a service from a provider’s approval
• Additional conditions for continued approval of an approved provider
• Provider Approval Exemptions
  – State/territory requirements
  – Operating weeks’ requirement
Other Rules relating to Providers/Services

- Requirements to make and keep records
- Statements of Entitlement
- Business Continuity Payments
- Definition of a child care service payment
- When an application is taken not to have been made
Next Steps

• Further consultation with stakeholders on Minister’s/Secretary’s Rules
• Feedback is being used refine draft Rules, for consideration by the Secretary/Minister
• Legislation
• IT system
• Transition planning
Questions?