



Australian Government

Department of Education and Training

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.
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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.

Jobs for Families Child Care Package

- 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

Step	Hours of activity (per fortnight)	Maximum hours of subsidy (per fortnight)
1	8 to 16 hours	36 hours
2	More than 16 to 48 hours	72 hours
3	More than 48 hours	100 hours

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



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Questions?