

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
SOCIAL SERVICES PORTFOLIO
2014-15 Additional Estimates Hearings

Outcome Number: 2.4 Support for Child Care System **Question No: SQ15-000334**

Topic: Community Support Programme

Hansard page: Written

Senator Xenophon, Nick asked:

1. In relation to the Community Support Program, can the Department provide the rationale for the changes to this funding for family day care centres?
2. I understand the program was originally established to address the severe shortage of child care places in Australia. Is there no longer a shortage of places?
3. The new guidelines of the program provide funding only for disadvantaged or rural, regional or remote areas. Has the department done any modelling about how many family day care providers will be impacted? I have seen estimates that as many as 80 per cent will face a reduction in funding.
4. Has the department done any modelling regarding how many family day care providers will have to reduce or end their services, and what impact this will have on families and their ability to work? This should include the families of children who are in family day care as well as the providers themselves, whose employment is being affected.
 - a. Are places available elsewhere for children who will be impacted?
5. What consultation has the department done with the sector in relation to these changes?
6. There have been several measures recently that have impacted unduly on family day care providers. Does the department acknowledge that these providers are a vital part of the child care system in Australia, and not just a sideline or hobby for the providers?

Answer:

1. From 1 July 2015 all Family Day Care services will need to meet tightened eligibility criteria to receive funding from the Community Support Programme. A \$250,000 annual cap on will also be introduced. The Australian Government is making these changes to target the funding to where it is needed and make it a more fair, sensible and sustainable programme. These changes bring the support offered to Family Day Care services through the Community Support Programme into line with the support provided to other types of child care.

The changes are consistent with the Australian National Audit Office's (ANAO) 2012 audit of the programme which pointed to key differences between the eligibility criteria for Family Day Care and other care types such as Long Day Care. The ANAO noted that 71 per cent of CSP funding was allocated to Family Day Care which accounted for only 10 per cent of the all children in approved care. In contrast, 21 per cent of Community Support Programme funding was allocated to Long Day Care and Outside School Hours Care which accounted for approximately 90 per cent of all children in care.

2. Between 2011 and 2014 the number of Family Day Care services has grown by 93 per cent with most of the services being established in metropolitan areas. The introduction of tightened eligibility criteria for Family Day Care services will enable available funding to be directed towards services in regional, remote and disadvantaged areas where it is needed most.

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3. The number of services that are eligible for Community Support Programme funding from 1 July 2015 will depend on the number of services that meet the eligibility criteria when they are re-assessed.

4. Individual services will need to make decisions about their own business models if they are likely to be impacted by changes to the Community Support Programme.

These changes do not preclude Family Day Care services from being established or from continuing to provide care for, and administer Australian Government fee assistance such as Child Care Benefit and Child Care Rebate on behalf of families. Families using Family Day Care will continue to be eligible for a higher rate of Child Care Benefit of up to \$5.47 per hour compared to \$4.10 per hour for Long Day Care.

5. The changes to the Community Support Programme were announced in the 2014–15 Budget process and as such were subject to Budget confidentiality rules. The Family Day Care sector was consulted immediately following the Budget announcement and has been consulted on an ongoing basis, including through the development of a Business Development Package that provides support and assistance for services to transition to a sustainable business model.

6. Yes.