

Senate Committee: Education and Employment

**QUESTION ON NOTICE
Additional Estimates 2015 - 2016**

Outcome: Early Childhood and Child Care

Department of Education and Training Question No. SQ16-000177

Senator Lines, Sue provided in writing

Budget Based Funded services

Question

In relation to Budget Based Funded services:

- a. How many Budget Based Funded services are there currently? How many families and children rely on these services? Please provide a list on notice.
- b. What types of services are there – Aboriginal services, Mobile services etc.? How many of each service type are there any how many families and children depend on each type?
- c. Will the total amount of support provided to Budget Based Funded service increase or decrease or remain the same after the move to the new system?
- d. How will the Community Child Care Fund competitive grants program operate?
- e. How will this impact Outside School Hours Care services?
- f. incomplete question no response required.
- g. What is the per child per day cost to the government of providing mobile services? How does this compare to the per child per day cost for other types of care?
- h. Speaking to Inclusion and Professional Support Co-ordinators, it seems the Department is already talking to services about moving them onto a mainstream subsidy system – is this correct?
- i. If the legislation for the child care changes has not yet passed the Parliament, why have you already started to prepare services to move across to a system which has not passed the Parliament?
- j. What evidence does the government have that BBF services – including mobile services – will be viable under a mainstream model?
- k. Will viability assistance will be ongoing if required?
- l. Is it correct that currently around 80 per cent of BBF funding is for Indigenous services? Will 80 per cent of funding under the Community Child Care Fund – also be directed to Indigenous services?
- m. How will the activity test work in remote and small communities? Will families still be subjected to the same requirements? Even though opportunities to work and volunteer might not be the same as in larger population centres?

Answer

- a. There are 298 Budget Based Funded (BBF) services. BBF services reported that approximately 19,000 children attended these services in 2014-15. The list of BBF services is at Attachment A.
- b. There are four types of BBF services: Long Day Care type services, Out of School Hours Care (OSHC) services, mobile children's services and other services. There are:
 - 45 BBF mobile services, reporting that 5,282 children attended in 2014-15.
 - 117 Long Day Care type BBF services reporting that 4,450 children attended in 2014-15
 - 128 OSHC BBF services reporting that 8,547 children attended in 2014-15.
 - 8 Other BBF services. These services report that 918 children attended in 2014-15.

- c. The amount of funding available for former BBF services through the Child Care Subsidy (CCS) will be subject to the number of families that apply for the subsidy and the income of those families. Potential additional support from Child Care Safety Net programmes such as the Additional Child Care Subsidy (ACCS) and the Community Child Care Fund (CCCF) will be subject to eligibility of children or successful applications made by BBF services.
- d. The CCCF will be an ongoing programme which will provide grants to child care services through a competitive process. Time limited grants will be linked to the achievement of specific programme outcomes, targeting those services that would benefit most in terms of the positive outcomes they can deliver for disadvantaged communities. Although individual grants to services will be for a limited period, services can re-apply for funding in subsequent rounds and be successful if they continue to need additional funds to assist them to meet the needs of families living in disadvantaged communities. All approved child care services will be eligible to apply under the CCCF, including current BBF services transitioning to the new child care system.
- e. OSHC services will be able to apply for funding provided they meet eligibility criteria.
- f. Incomplete question no response required.
- g. This information is not available as no BBF or mainstream child care service has funding calculated on a per child per day basis, they receive annual fixed block funding.
- h. Yes.
- i. BBF services have always been block funded and the new child care system is a child based subsidy. Services will need time and support to understand and look at their business models. This support will benefit them and their families regardless of legislation.
- j. As with all other child care services the viability of each service will depend on their capacity to attract families to the service and their efficiency in managing their child care business. BBF services will have access to the CCS, ACCS and CCCF to support their viability or undertake community engagement.
- k. The CCCF will operate as a competitive grants programme, supporting services to achieve specific programme outcomes. The Sustainability Support element of the CCCF aims to support services to improve their long-term sustainability in order to maintain or increase access to child care, in particular disadvantaged communities and in areas of limited supply. Funding rounds are expected to be held at least annually, with the period of funding offered reflecting the nature of the approved project. Services requiring further support beyond the period of the funding agreement will be able to apply in subsequent rounds of the CCCF, and be considered on their merit, along with other applications.
- l. No. Services funded through the BBF programme are not defined as Indigenous or non-Indigenous. Most BBF services cater to both Indigenous and non-Indigenous families. 205 BBF services report majority Indigenous attendance.
- m. Families in remote and small communities will need to meet the same activity test requirements as families in larger communities. A broad range of activities will meet the activity test requirements, including paid work, being self-employed, doing unpaid work in a family business, looking for work, volunteering or studying. The recognised activities will also be expanded to include unpaid work experience and a broad definition for voluntary work. This will make it easier for individuals and families to meet the activity test, particularly in smaller and remote communities.

Individuals in receipt of an income support payment with a participation requirement will have their participation requirements recognised as activity and aligned to a step in the activity test. There will also be exemptions to the activity test for parents who legitimately cannot meet the activity requirements.

The Child Care Safety Net will support families earning \$65,710 or less who do not meet the activity test, by providing 24 hours per fortnight of subsidised care.