

Senate Standing Committee on Education and Employment - Education

**QUESTIONS ON NOTICE
Budget Estimates 2014-2015**

Outcome 1 - Early Childhood Education and Care

Department of Education Question No. ED0110_15

Senator Lines provided in writing.

Question

Expected from changes to the Community Support Program (Family Day Care)

Page 81 of Budget Paper 2 shows the savings expected from changes to the Community Support Program (Family Day Care), including notes that state "The Government will also achieve savings of \$157.1 million over three years from 2015-16 from tightened eligibility criteria." a) What modelling has the department undertaken to determine the impact on families of the changes to the Community Support Program? Was this information provided to government prior to the decision being made? b) How was the savings figure of \$157 million determined? Does the department have a target of number of family day care services that need to close to achieve the \$157 million saving? c) How many services will the \$157 million saving affect? How many families and how many children will be impacted? d) What assistance will the department be providing to families whose family day service closes because of the changes to the program? How will families be consulted?

Answer

- a) The Community Support Programme (CSP) is a payment made directly to child care service operators. It is not a fee subsidy or a payment to families or educators.
- b) This is not a savings measure. The CSP has received an additional \$11.4 million over the forward estimates. The introduction of eligibility criteria for Family Day Care services is projected to better target available funding and bring the programme back within its budget allocation. Changes to the CSP 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. The number of Family Day Care services in the market is a decision for the market and not one in which the department has a role.
- c) The number of services impacted by the introduction of eligibility criteria in July 2015 will depend on the number of services that meet the criteria at that time. The CSP provides funding directly to approved service operators. It is not a fee subsidy or a payment to families.
- d) The CSP provides funding directly to approved service operators. It is not a fee subsidy or a payment to families or educators. The Australian Government supports families using approved child care, including Family Day Care, through fee assistance including Child Care Benefit and Child Care Rebate. 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.