

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. ED0252_15

Senator O'Neill provided in writing.

Question

Jobs, Education and Training Child Care Fee Assistance (JETCCFA)

The Budget changes the Jobs, Education and Training Child Care Fee Assistance (JETCCFA). The PBS (page 34) shows an increase of about 10,000 children assisted by the program. 1. Why does the Government project this to grow? 2. Has the department done any regulatory impact assessment or any modelling on how these changes to JETCCFA will affect families? 3. How many families currently receive assistance above the new maximum? That is, on current usage, how many families will be worse off under this change? 4. How does this change support women into education opportunities under the Government's "earn or learn" slogan?

Answer

1. JETCCFA is a demand driven programme and recipient numbers are not capped. The estimated number of parents and children assisted by JETCCFA over the forward estimates is expected to increase because of the JETCCFA Budget measures as more people will be able to be assisted within the JETCCFA appropriation.
2. The measure does not impose any regulatory burden as it is machinery in nature.
3. JETCCFA recipients will only be impacted by the \$8 per hour cap if they use child care that costs more than \$13 per hour (that is, \$4.10 Child Care Benefit, \$8 JETCCFA, \$0.50 Child Care Rebate and \$0.50 parent contribution). In 2012-13, around 2,000 (6 per cent) of JETCCFA recipients used care that cost more than \$13 per hour. The average hourly fee for all families using approved child care is \$7.50 per child.

In 2012-13, approximately 5,000 JETCCFA recipients (20 per cent) of those who were studying, accessed more than 36 hours of JETCCFA each week. However, JETCCFA recipients have until January 2015 to change child care and/or study arrangements if necessary. The average child care hours used by all families working or studying is around 24 hours per week.

4. The proposed changes to Newstart and Youth allowance will require job seekers to participate in 25 hours per week of Work for the Dole or a similar labour market programme. As these proposed changes will require jobseeker to undertake training or work related opportunities, not study, eligible parents will be able to continue to access JETCCFA for up to 50 hours per child per week as the JETCCFA 2014-15 Budget changes in relation to study will not apply.