

**Senate Finance and Public Administration Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
**BUDGET ESTIMATES 2015-16**

Finance Portfolio  
27-28 May 2015

**Department/Agency:** Department of Finance  
**Outcome/Program:** 1/1.1  
**Topic:** Combining the CCR and the CCB payments

**Senator:** Ludwig

**Question reference number:** F23

**Type of question:** Hansard, F&PA Committee, Page 102, 27 May 2015

**Date set by the committee for the return of answer:** Friday, 10 July 2015

**Number of pages:** 2

**Question:**

**Senator LUDWIG:** So it is pretty clear that it is still on the table. I want to have a look at the breakdown of some of those childcare costings. On page 154 of Budget Paper No.2, in relation to the childcare costing as part of the families package childcare workforce participation stream—are you able to break down the impact of the various aspects of the childcare costings? Can you include the impact of combining the CCR and the CCB payments—I am happy for you to take this on notice, obviously—as well as the changes to the income thresholds and the implementation of the activity test?

Separately can you step me through the activity test and specifically how that is applied in the costings?

**Mr Thomann:** The costs here as described in this measure and provided in this resource table are the net additional costs on top of the current arrangements so they will not include childcare benefit or childcare rebate. That is in the base estimate. In relation to the other factors and their relative contribution to the costing, we would have to take that on notice.

**Senator LUDWIG:** I am happy for you to take that on notice. I do understand the issue around the CCR and the CCB. I would have to ask the department responsible.

**Answer:**

The net impact of the *Families Package - child care - Workforce Participation Stream* measure is \$3.2 billion over five years from 2014-15. The breakdown of the items included in this measure is outlined in the table below:

<b>Workforce Participation Stream measure</b>	<b>Fiscal balance impact from 2014-15 to 2018-19 (\$millions)</b>
<b><i>New programmes</i></b>	
Child Care Subsidy and Interim Home Based Carer Subsidy	21,442.9
<b><i>Ceasing programmes</i></b>	
Child Care Benefit, Child Care Rebate and Jobs, Education and Training Child Care Fee Assistance	-18,606.8
<b><i>Implementation activities</i></b>	
Department of Social Services, Department of Human Services and Department of Finance – departmental and capital resources.	363.3
<b><i>Total</i></b>	<b>\$3,199.5</b>

Eligibility for the Child Care Subsidy will be linked to the following activity test:

<b>Work, Training, Study or other recognised activity (per fortnight)</b>	<b>Hours eligible for Child Care Subsidy (per fortnight)</b>
8-16 hours	Up to 36 hours
17-48 hours	Up to 72 hours
49 hours or more	Up to 100 hours

Up to 24 hours per fortnight will also be provided to children from families with incomes of less than approximately \$65,000 per year who do not meet the activity test.

The activity test is taken into account in the modelling of the Child Care Subsidy cost which calculates the eligible subsidy per family based on current estimated hours of activity and income.