Australia’s new child care system
Australia’s new child care system

The key elements of the new child care system are

• The Child Care Subsidy
• The Child Care Safety Net
  o Additional Child Care Subsidy
  o Community Child Care Fund
  o Inclusion Support Programme
Implementation Timeframe

January 2016
  • Nanny Pilot Programme commenced

April – December 2016
  • Consultations with child care sector around Australia on the Minister’s and Secretary’s Rules

July 2016
  • Inclusion Support Programme commenced
  • Connected Beginnings commenced

April 2017
  • New child care legislation received Royal Assent

July 2018
  • Child Care Subsidy and Additional Child Care Subsidy commence (replacing Child Care Benefit and Child Care Rebate)
  • Community Child Care Fund commences
  • New IT system commences
Minister’s and Secretary’s Rules

• The Minister’s and Secretary’s Rules support the new child care system legislation
  ○ set out in detail how certain operational aspects of the legislation will work in practice – what’s included/excluded

• The difference between a Minister’s Rule and a Secretary’s Rule is who can make them and what they do

• The Department has consulted with the sector over the past 12 months on the Rules
Child Care Subsidy

- Commences 2 July 2018
- Single means-tested payment
- Paid directly to service providers and passed on to families as fee reduction
- Eligibility will be based on an activity test
Child Care Subsidy

- There are three things that will determine a family’s level of child care subsidy
  1. Combined family income
  2. Activity level of both parents
  3. Type of child care service
1. Combined family income

An annual subsidy cap of $10,000 per child will apply under CCS for families earning more than $185,710.
## 2. Activity level of both parents

<table>
<thead>
<tr>
<th>Step</th>
<th>Hours of activity (per fortnight)</th>
<th>Maximum number of hours of subsidy (per fortnight)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Less than 8 hours (for a family earning up to $65,710)</td>
<td>24 hours</td>
</tr>
<tr>
<td>1</td>
<td>8 hours to 16 hours</td>
<td>36 hours</td>
</tr>
<tr>
<td>2</td>
<td>More than 16 hours to 48 hours</td>
<td>72 hours</td>
</tr>
<tr>
<td>3</td>
<td>More than 48 hours</td>
<td>100 hours</td>
</tr>
</tbody>
</table>
Activity Test – hours of activity

- Parent one, works 76 hours per fortnight - step 3 of the Activity Test

<table>
<thead>
<tr>
<th>Step</th>
<th>Hours of activity (per fortnight)</th>
<th>Maximum number of hours of subsidy (per fortnight)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>More than 48 hours</td>
<td>100 hours</td>
</tr>
</tbody>
</table>

- Parent two, works 40 hours per fortnight - step 2 of the Activity Test

<table>
<thead>
<tr>
<th>Step</th>
<th>Hours of activity (per fortnight)</th>
<th>Maximum number of hours of subsidy (per fortnight)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>More than 16 hours less than 48 hours</td>
<td>72 hours</td>
</tr>
</tbody>
</table>

- As parent two has the lower activity, the family is eligible for 72 hours per fortnight of subsidised child care
# Activity Test – recognised activities

<table>
<thead>
<tr>
<th>Activity</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paid work, including leave</td>
<td>Approved course of education</td>
</tr>
<tr>
<td>Training course</td>
<td>Unpaid voluntary work</td>
</tr>
<tr>
<td>Unpaid work in a family business</td>
<td>Receiving income support payments with activity requirements</td>
</tr>
<tr>
<td>Receiving Carer Allowance</td>
<td>Looking for work</td>
</tr>
<tr>
<td>Actively setting up a business</td>
<td>Other activities on a case-by-case basis</td>
</tr>
</tbody>
</table>
# Activity Test – proposed exemptions

<table>
<thead>
<tr>
<th>Receiving Disability Support Pension</th>
<th>Personally providing constant care for an adult or child with a severe/intense disability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual is in gaol or undergoing psychiatric confinement</td>
<td>Receiving Carer Payment</td>
</tr>
<tr>
<td>Other circumstances on a case-by-case basis</td>
<td></td>
</tr>
</tbody>
</table>

### 3. Service Types - Hourly Fee Caps

<table>
<thead>
<tr>
<th>Service type</th>
<th>Maximum hourly fee cap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centre Based Day Care</td>
<td>$11.55</td>
</tr>
<tr>
<td>Family Day Care</td>
<td>$10.70</td>
</tr>
<tr>
<td>Outside School Hours Care</td>
<td>$10.10</td>
</tr>
</tbody>
</table>
Child Care Subsidy hourly fee cap in practice

Family earning $65,000 per year (85% rebate) using a centre-based service ($11.55 hourly fee cap)

$8.00 per hour fee:
- CCS = $6.80 (85% of $8.00)
- Parent pays = $1.20

$10.00 per hour fee:
- CCS = $8.50 (85% of $10.00)
- Parent pays = $1.50

$15.00 per hour fee:
- CCS = $9.82 (85% of $11.55)
- Parent pays = $5.18

Family earning $65,000 per year (85% rebate) using a centre-based service ($11.55 hourly fee cap)
Annual Subsidy Cap

• No annual cap for families earning less than $185,710

• For families earning between $185,710 and $350,000, an annual subsidy cap of $10,000 per child will apply
Family Child Care Subsidy Estimator

- A Family Child Care Subsidy estimator is now available online: https://www.education.gov.au/sites/education/files/sch/est/index.html
- It gives families an estimate of what their new subsidy might be under the new child care system, taking into account family income, activity, the number of children using care and the type of child care used
- It also provides a comparison with an estimate of current Child Care Benefit/Child Care Rebate. Families should check their actual entitlements on the DHS calculator. There is a link to this calculator within the Family Child Care Subsidy Estimator
Questions?
Child Care Safety Net

• Additional Child Care Subsidy
  o Child Wellbeing
  o Grandparents
  o Temporary Financial Hardship
  o Transition to Work
• Inclusion Support Programme
• Community Child Care Fund
Child Care Safety Net

• Additional Child Care Subsidy
  o Child Wellbeing
  o Grandparents
  o Temporary Financial Hardship
  o Transition to Work
• Inclusion Support Programme
• Community Child Care Fund
Additional Child Care Subsidy - (Child Wellbeing)

• A top-up subsidy to support children and families by helping with the cost of child care

• Support for families before they reach crisis point (early intervention), or where child protection arrangements are in place or where a child continues to experience the results of past abuse or neglect

• The subsidy pays 100% of the fee charged, up to 120% of the hourly fee cap for up to 100 hours per fortnight
Additional Child Care Subsidy – (Child Wellbeing)

*Definition of being ‘at risk’:*

- A broad definition of what constitutes being ‘at risk’ to help vulnerable children
- Aligns with the definitions across all states and territories child protection laws
Additional Child Care Subsidy – (Child Wellbeing)

• The process:
  o Service providers can make the initial six week ‘at risk’ certification
    ▪ must share information with an appropriate state/territory body – helping put the family in touch with services that may help
  o A child may be referred to a child care service by a state/territory child protection agency or welfare organisation, or may be identified as being ‘at risk’ by the service itself
  o A provider can let DHS know how long the child might be at risk.
    ▪ DHS will determine ongoing 13 week periods (or less), based on information on whether the child remains ‘at risk’
Child Care Safety Net

• Additional Child Care Subsidy
  o Child Wellbeing
  o **Grandparents**
    o Temporary Financial Hardship
    o Transition to Work
• Inclusion Support Programme
• Community Child Care Fund
Additional Child Care Subsidy (Grandparents)

• Provides up to 100 hours of subsidised care per fortnight for grandparents who
  o are the principal carer with 65% or greater carer responsibilities
  o have substantial autonomy for the day-to-day decisions about the child’s care, welfare and development, and
  o are also in receipt of income support.

• It will cover 100% of fee charged, up to 120% of the hourly fee cap
Child Care Safety Net

• Additional Child Care Subsidy
  o Child Wellbeing
  o Grandparents
  o Temporary Financial Hardship
  o Transition to Work
• Inclusion Support Programme
• Community Child Care Fund
Additional Child Care Subsidy (Temporary Financial Hardship)

• Short-term increased child care fee assistance for families who are experiencing significant financial stress due to exceptional circumstances.

• Ensures continuity of care and to support the child’s physical safety, health and wellbeing.

• 100% of the fee charged, up to 120% of the hourly fee cap for up to 100 hours per fortnight

• 13 weeks of increased assistance per hardship event

• Assessed by the Department of Human Services
Child Care Safety Net

• Additional Child Care Subsidy
  o Child Wellbeing
  o Grandparents
  o Temporary Financial Hardship
  o Transition to Work

• Inclusion Support Programme

• Community Child Care Fund
Additional Child Care Subsidy (Transition to Work)

- Short-term increased child care fee assistance to support families to transition to work from income support
- Replaces the Jobs, Education and Training Child Care Fee Assistance (JETCCFA) payment
- 95% of the fee charged, up to 95% of the hourly fee cap
Hourly Fee Cap – Additional Child Care Subsidy

Example: Additional Child Care Subsidy – Child Wellbeing, Grandparents and Temporary Financial Hardship using a centre-based service
(100% of the fee up to 120% of the hourly fee cap)

$8.00 per hour fee:
- ACCS = $8.00 (100% of $8.00)
- Parent pays = $0

$10.00 per hour fee:
- ACCS = $10.00 (100% of $10.00)
- Parent pays = $0

$15.00 per hour fee:
- ACCS = $13.86 (120% of $11.55)
- Parent pays = $1.14
Hourly Fee Cap – Additional Child Care Subsidy

Example: Additional Child Care Subsidy – Transition to Work using a centre-based service
(95% of the fee up to 95% of the hourly fee cap)

$8.00 per hour fee:
- ACCS = $7.60
  (95% of $8.00)
- Parent pays = $0.40

$10.00 per hour fee:
- ACCS = $9.50
  (95% of $10.00)
- Parent pays = $0.50

$15.00 per hour fee:
- ACCS = $10.97
  (95% of $11.55)
- Parent pays = $4.03
Child Care Safety Net

• Additional Child Care Subsidy
  o Child Wellbeing
  o Grandparents
  o Temporary Financial Hardship
  o Transition to Work

• Inclusion Support Programme

• Community Child Care Fund
Inclusion Support Programme

- Commenced on 1 July 2016 to assist early childhood and child care services to include children with additional needs
- The department has contracted the following to deliver inclusion support services
  - Seven Inclusion Agencies
  - One Inclusion Development Fund Manager
- For more information
  
Child Care Safety Net

- Additional Child Care Subsidy
  - Child Wellbeing
  - Grandparents
  - Temporary Financial Hardship
  - Transition to Work
- Inclusion Support Programme
- Community Child Care Fund
Community Child Care Fund

• Provides supplementary financial support to child care services to
  o improve service viability and sustainability, particularly in areas of limited supply
  o address community level barriers to child care participation, particularly in disadvantaged communities
  o contribute to capital works in areas with unmet demand for child care
Questions?
Care in the Family Home

• Government is currently conducting a review of:
  o In Home Care program
  o Nanny Pilot Programme

• Child care delivered in the family home will continue beyond the introduction of the new child care system

• Email: communitysupportprogramme@education.gov.au
Operating Requirements

• Removal of hours and days per week a service must operate

• Services will only be required to operate for a minimum of 48 weeks per year
  o or seven weeks per year for outside school hours care
Business Support Tools

• New business support tools and templates child care services can use to:
  o review and evaluate their business models
  o identify areas for change or improvement
  o Identify activities that may be eligible for CCCF funding
    (for eligible services)

• Tools will be available in July 2017
New Integrated Child Care IT System

• A new integrated Child Care IT system is being developed

• From 2 July 2018 it will:
  
  o provide a simple and easy user interface for families and services

  o simplify, streamline and automate administration of child care payments and programs

  o ensure more effective compliance and minimise fraudulent misuse of tax payer funds.
New Integrated Child Care IT System

- New IT system to access information or apply for approval to operate as a provider under Family Assistance Law
- Providers will continue to be supported by a dedicated help desk for service and technical issues
- Providers can continue to use registered third party software to access the new IT system
- User testing will be done and there will be training for service providers
Enrolment Advances

• From 1 July 2017:
  o enrolment advances will no longer be paid
  o currently we recover advances as children leave care
  o we will also recover any advances that have existed for four years or more

• Services can act now to manage the impact on their cash flow

• If you have any queries please contact the CCMS helpdesk
  o Ph: 1300 667 276
  o Email: ccmshelpdesk@education.gov.au
What this means for you

The department will

• Provide regular and targeted information
• Make sure that you know what you need to do and when

Services should

• Actively engage during transition
• Consider what the changes mean for your service
Transition Timeline

- **1 July 2017** – cessation of Enrolment Advances
- From **August 2017** – communication activities for services and families on the new system
- **2017-2018** – first Community Child Care Fund application round
- **Late 2017** – IT system user testing
- From **Late 2017** – initial stage of IT system transition
- **Early 2018** – IT system training for service providers
- **2 July 2018** – Full implementation
For more information

For services

• Department of Education and Training website
  www.education.gov.au/jobsforfamilies

• Child Care Management System Helpdesk
  Phone: 1300 667 276 or email: ccmshelpdesk@education.gov.au.

• Stakeholder Engagement mailbox
  Email: ecccstakeholderengagement@education.gov.au

For Families

• Department of Human Services Facebook
Questions?
Community Child Care Fund
Eligibility Criteria

To be eligible to apply under the CCCF open competitive grant opportunity you must be
1. An approved provider of an approved child care service AND
2. A not-for-profit organisation which is either:
   o seeking funding for an approved child care service operating in a priority area OR
   o seeking funding for an approved child care service currently in receipt of funding under the department’s Community Support Program
Community Child Care Fund

- New ongoing grants program commencing from July 2018
- Developed in response to the Productivity Commission Inquiry into Child Care and Early Childhood Learning (2014)
- Annual funding of around $124 million (includes Connected Beginnings around $10 million)
- Draft program guidelines available for public comment until 13 June 2017
- First grant round will open early in the 2017-18 financial year
CCCF Grant Opportunities

• Two grant opportunities
  o An open competitive grant opportunity
    ▪ approx $50 million available
  o A restricted non-competitive grant opportunity
    ▪ approx $62.5 million available (of which $61.8 million has been set aside to support BBF services)

• Each grant opportunity has its own program guidelines
• Today we will be looking at the draft program guidelines for the open competitive grant opportunity
Three CCCF Elements

Page 7 of draft guidelines

• **Sustainability Support:** helping eligible child care services operating in areas of limited supply improve the viability and sustainability of their service

• **Community Support:** helping eligible child care services to work with other organisations and families to identify and address community level barriers to child care participation

• **Capital Support:** contributing towards the cost of modifying, renovating, extending or building child care facilities to increase child care places in areas where there is unmet demand
## Grant Amounts per Element

*Page 8 of draft guidelines*

<table>
<thead>
<tr>
<th>CCCF Element</th>
<th>Minimum Grant Funding Amount</th>
<th>Maximum Grant Funding Amount</th>
<th>Grant Funding Available (approx.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Support</td>
<td>$20,000</td>
<td>$100,000</td>
<td></td>
</tr>
<tr>
<td>Sustainability Support</td>
<td>$10,000</td>
<td>$200,000</td>
<td>$50 million</td>
</tr>
<tr>
<td>Capital Support</td>
<td>$50,000</td>
<td>$150,000</td>
<td></td>
</tr>
</tbody>
</table>
Priority Areas

Page 9 of draft guidelines
Priority Areas - ACT
Priority Areas – QLD
Priority Areas – VIC
Priority Areas – NT
Priority Areas – Tasmania
Other Eligibility Requirements

Sustainability Support
• Must be operating in an area of limited supply

Capital Support
• Must be operating in an area of high unmet demand
• Minimum 50% co-contribution
What grant money can be used for

*Pages 11 of draft guidelines*

| Sustainability Support | • implementing changes to business practices to improve the sustainability and viability of a child care service  
| | • helping with additional costs of providing child care in unviable markets where a service is providing the most effective model of care for the community  
| | • meeting standard child care operating costs, during transition to a more sustainable business model |
| Community Support | • building relationships with families with children who don’t use child care  
| | • working with other organisations to engage with the community on their child care requirements  
| | • integrated location-based proposals that ultimately deliver increased child care usage  
| | • transport assistance for isolated families and those with transport difficulties to access child care |
| Capital Support | • extending or modifying an existing child care centre  
| | • extending or modifying a community centre or other building that will be used for child care  
| | • contribution towards building a new child care centre |
What grant money cannot be used for

Some examples

• costs normally associated with running a child care service
• activities not related to the delivery of child care services
• purchasing land
Grant Assessment Criteria

*Pages 12 - 13 of draft guidelines*

- There are two assessment criteria per CCCF element (six in total)
- 500 words per criterion
- All criteria have equal weighting
- Additional information may be requested
Application and Assessment Process

• The application and assessment process will be managed on behalf of the department by the Department of Social Services Community Grants Hub
• The first round will open early 2017-18:
  o advertised on GrantConnect
  o six week application period
  o online application form
• Applications assessed on relative merit and shortlisted
• Successful applicants advised early 2018
• Grant agreements commence from July 2018
Next Steps

- You can provide consultation feedback via the Engage Platform at engage.dss.gov.au
- The department will consider all feedback and prepare final guidelines for formal approval
- Final guidelines will be published ahead of the opening for the first CCCF funding round
For more information

For services

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  www.education.gov.au/jobsforfamilies

• Child Care Management System Helpdesk
  Phone: 1300 667 276 or email: ccmshelpdesk@education.gov.au.

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