

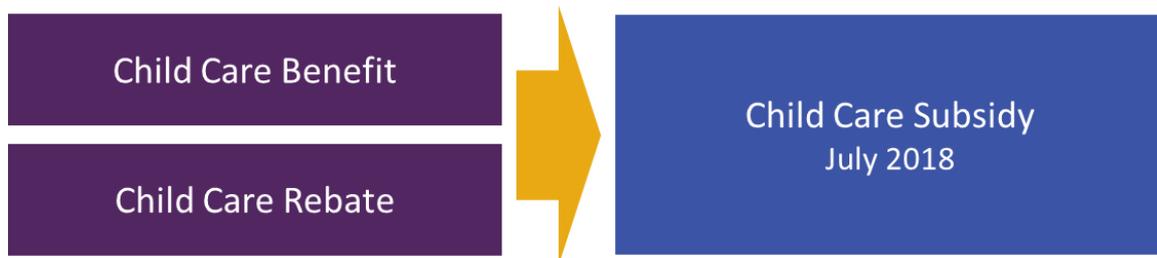


New child care package

The Australian Government is investing an additional \$2.5 billion over four years to support the 1.2 million families who use approved child care. The changes will provide more support for more families and be targeted to those who need it the most.

The key elements of the package are:

- From July 2018, a new streamlined Child Care Subsidy will roll two payments into one.



- The Child Care Safety Net, progressively rolled out from July 2016, will improve accessibility, and includes the:
 - Additional Child Care Subsidy
 - Community Child Care Fund
 - Inclusion Support Programme

Key changes for service

Increased flexibility

The package removes requirements for **hours of operation** per day or days per week. From July 2018, services will be required to operate for a minimum of 48 weeks per year, or 7 weeks per year if the service only provides outside school hours care, with the number of hours of care provided per day, or days per week, a matter for the child care provider to determine.

Streamlined process

The package changes the current **approval process** for child care services and introduces requirements that more clearly focus on the approval of providers to administer subsidies in respect of the services they operate. This aligns more closely with the approach taken in the *Education and Care Services National Law Act 2010*, and National Quality Framework requirements.

Strengthened compliance

The package also introduces a series of **new obligations on services** to comply with the Family Assistance Law and a number of key changes support a strengthened compliance framework to protect payment integrity. A range of new obligations will apply, including:

- the ability for the Department of Education and Training to reassess a service approval at any time
- an improved approval process as a result of changes to eligibility criteria
- a requirement for an approved provider to report educator 'Working with Children Check' details
- a 28-day limit on backdating children's attendance records
- the ability for the Minister to make legislative instruments to place a pause on child care service applications, in defined circumstances.

New IT system

A new IT system will support the major changes to the child care package and will positively impact child care services, families and all levels of government with streamlined processes, reduced administrative and regulatory burden and increased information sharing.

Transition

The Government recognises that the transition from the existing child care system to a new package will be a significant change for Australian families.

Under the new package, existing child care payments will be replaced with the Child Care Subsidy and Additional Child Care Subsidy. Families and services will have time to adjust to the new model and we are working towards a seamless introduction of new systems and arrangements.

All families who use, or need to use, child care in the future will be kept informed of the progress of the changes and given timely information on how they may be affected.

Centrelink will contact families directly to provide information on current entitlements and how they may change under new arrangements. This may include asking families for additional information, to ensure that they move onto the new payment system smoothly.

Implementation Timeline

July 2016

- Inclusion Support Programme commenced
- Connected Beginnings commenced

April 2017

- Some strengthened compliance powers commenced

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 Compliance Framework commences

For more information on the new child care package, please go to www.education.gov.au