

Questions

Answers

How much extra money will be put into the sector?	Thanks to the hard work of educators in the Quality Matters campaign an extra \$3.5 billion will be put into the sector from 1 July 2017.
What is the biggest change for the sector?	A new single payment called the Child Care Subsidy will replace CCR and CCB and depending on family income will subsidise between 85 and 50% of parent's childcare costs. To administer the system, parents will now be given a Medicare-style child care smartcard.
How will ECEC be funded now?	A new funding model based on a benchmark price of \$9/hour or \$110 a day for LDC. This will increase to \$11.55/hour or \$127 a day by the time the package is implemented in July 2017. Parents whose centres cost more than that per day, will have higher out-of-pocket costs. This is the government's attempt to stop inflation of ECEC prices.
Will the new Child Care Subsidy be means tested?	Yes. Families on incomes up to \$65,000 will get an 85% subsidy and this will reduce to 50% for incomes around and above \$170,000. At this time, it is not clear whether it jumps from 85% to 50% or gradually tapers off.
When will the changes be implemented?	The new Child Care Subsidy and funding model based on the \$11.55 benchmark price won't start until 1 July 2017. Other parts of the package, the new inclusion support program and nannies pilot will be phased in during 2016.
Is the funding guaranteed?	No, the funding is dependent on passing controversial budget savings measures on family tax benefits (FTB) that have been stuck in the senate since 2014. The two savings measures are: limiting FTB Part B to families whose youngest child is under 6 (currently it is under 16) and freezing overall FTB payments for two years. If passed these savings measures will impact low income and single parent families.
Are there changes to the \$7500 annual cap?	Yes, the annual cap on rebates will be scrapped for all families earning less than \$185,000. For families on relatively high incomes (more than \$185,000) the annual cap will increase to \$10,000.
How will the package impact stay-at-home parents?	Parents who don't work and have a family income greater than \$65,000 will no longer get any government subsidised childcare.
Are there any changes to the NQF?	No, because educators across Australia stood up for quality the NQF is safe.
What about universal preschool access?	Federal funding of 15 hours universal access for 4 year olds has been guaranteed until 2017.
What is the new activity test?	A stricter activity test will be introduced based on the below fortnightly work commitments: <ol style="list-style-type: none"> 1. 8 hours work = eligible for up to 36 hours care 2. 17 hours work = eligible for up to 72 hours care 3. 49 hours work = eligible for up to 100 hours care
What are the pollies saying?	Labor, The Greens and some independents have welcomed the extra funding into the sector but don't want families held to ransom by tying the package to the stalled FTB savings measures.

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<p>How will low income families fair?</p>	<p>Families who earn less than \$65,000 will be exempt from the activity test. They will be eligible for 12 hours of care. This is a 50% cut to their government subsidised ECEC . Under the current system they get access to 24 hours per week. There is also a new Child Care Safety Net for families with incomes less than \$65,000 see below.</p>
<p>What about disadvantaged, at risk and special needs children?</p>	<p>As part of the package a new Child Care Safety Net will be introduced targeted at families with incomes less than \$65,000. There will be three different programs to cater for at risk, special needs and disadvantaged children. It is still unclear which programs this safety net will replace or how much subsidised childcare it will provide to disadvantaged children. Recipients of the early childhood safety net will be exempted from the new activity test.</p>
<p>What programs are included in the new Child Care Safety Net?</p>	<ol style="list-style-type: none"> 1. A revamped inclusion support program so mainstream childcare centres can afford staff and equipment for kids with special needs. Start date: July 1 2016 2. An additional childcare subsidy to assist children at risk of serious abuse or neglect, families at financial risk or those with parents moving from welfare into work. Start date: July 2017 3. A new childcare fund to help set-up and promote childcare centres in disadvantaged, indigenous and low income communities as well as regional and remote . Start Date: July 2017 <p>It is still unclear which existing programs the new Child Care Safety net will replace.</p>
<p>Have government subsidies been extended to nannies?</p>	<p>Yes, government subsidies will be extended to nannies but only for a two year trial that slightly extends the existing in-home care program. This trial program will begin on 1 January 2016.</p>
<p>What do the stakeholders think?</p>	<p>Across the board, providers, parents and peak bodies like Early Childhood Australia are welcoming the package but are concerned about 2 things:</p> <ol style="list-style-type: none"> 1. The stricter activity test 2. Tying the package to the stalled FTB savings measures stuck in the senate
<p>Do we have all the information?</p>	<p>No, there are lots of changes that we need more information on. Some of these changes will impact the ECEC sector but the government hasn't provided the devil in the detail. We will continue to monitor all developments and keep members updated.</p>
<p>What are the changes to paid parental leave (PPL)? Are they linked to the package?</p>	<p>The Government's 18 weeks minimum wage PPL scheme will no longer be available for parents who get PPL through their employers. This is not part of the families package but will impact the ECEC sector indirectly.</p>
<p>What do the policy changes mean for educators in the sector?</p>	<p>More funding into the sector means we have a better ability to meet our campaign for professional wages.</p>
<p>What action can I take to support the campaign's response to the package?</p>	<p>The more members we have means we have a better ability to influence the government's next step. Ask your colleagues to join the union, like the Quality Matters Facebook page or hold a staff meeting using this Families Package FAQ.</p>