Note: This June 2018 version of the Evaluation Framework updates the version published in May 2018. This updated version includes information about additional evaluation work for the In Home Care Program and the Inclusion Support Program.
Contents

Acknowledgements ........................................................................................................ iv

Summary of the Child Care Package Evaluation .......................................................... v
  The Child Care Package ......................................................................................... v
  Evaluation approach .............................................................................................. v
  Data collection and analysis ............................................................................... vi
  Reporting ............................................................................................................... vi

1. Introduction to the framework .............................................................................. 1
   1.1. Background .................................................................................................. 1
   1.2. The objectives of Australian Government child care support ..................... 1
   1.3. Structure ..................................................................................................... 2

2. The Child Care Package and broader context ...................................................... 2
   2.1. Components of the Child Care Package ..................................................... 2
   2.2. Changes from previous child care system ................................................... 7
   2.3. Financial sustainability ............................................................................. 8
   2.4. Funding arrangements prior to July 2018 ................................................... 8
   2.5. The broader policy context ...................................................................... 9

3. Outcome and impact evaluation ........................................................................... 11
   3.1. Program logic ............................................................................................. 11
   3.2. Evaluation scope and approach ................................................................ 13
   3.3. Overall approach to the evaluation ........................................................... 13
   3.4. Evaluation scope ....................................................................................... 13
   3.5. Evaluation approach ............................................................................... 14
   3.6. Evaluating change ................................................................................... 15
   3.7. Evaluation questions ................................................................................ 15
   3.8. Cross-cutting issues and program elements ............................................ 20
   3.9. Elements of the evaluation ..................................................................... 23
   3.10. Evaluation-specific data collections ....................................................... 25
   3.11. Roles and responsibilities ...................................................................... 27
   3.12. Timing of data collections ..................................................................... 27
   3.13. Timelines ................................................................................................. 28
   3.14. Ethics ........................................................................................................ 29
   3.15. Data management ................................................................................... 30

Appendix 1: Context – Child Care funding ............................................................... 31

Appendix 2: Government statements and the Child Care Package ......................... 32

Appendix 3: Supplementary detail on specific programs of the package .................. 35

Bibliography ............................................................................................................. 36
Acknowledgements

The Australian Institute of Family Studies in association with the Social Research Centre, the UNSW Social Policy Research Centre and the ANU Centre for Social Research and Methods has been commissioned to undertake an independent evaluation of the Australian Government's New Child Care Package (the Child Care Package) including the major policy changes being implemented in July 2018. The evaluation is funded by the Australian Government Department of Education and Training.
Summary of the Child Care Package Evaluation

The Australian Institute of Family Studies in association with the Social Research Centre, the UNSW Social Policy Research Centre and the ANU Centre for Social Research and Methods has been commissioned to undertake an independent evaluation of the Australian Government’s New Child Care Package (the Child Care Package) including the major policy changes being implemented in July 2018.

This evaluation has been commissioned by the Department of Education and Training (the Department) and will report on the outcomes and impacts of the Package. The current evaluation project commenced in December 2017 and continues until June 2021, with additional evaluation activities expected in the years to follow. This Evaluation Framework covers evaluation activities through to 2021.

The Child Care Package

The Child Care Package comprises the following:

- Child Care Subsidy
- Additional Child Care Subsidy, including specific elements:
  - Additional Child Care Subsidy (Child Wellbeing)
  - Additional Child Care Subsidy (Grandparent)
  - Additional Child Care Subsidy (Temporary Financial Hardship)
  - Additional Child Care Subsidy (Transition to Work)
- Community Child Care Fund
- In Home Care program
- Inclusion Support Program

Central to the Child Care Package is the Child Care Subsidy, which replaces the existing Child Care Benefit and Child Care Rebate. This payment, paid directly to services, is based on family income, an activity test and the type of child care used. A new IT system will provide the interface for child care providers and services. The main elements of the package are being introduced from 2 July 2018.

Evaluation approach

The evaluation will focus on four key outcomes and three key impacts:

<table>
<thead>
<tr>
<th>Outcome 1: Child care services are accessible and flexible relative to families’ needs, including disadvantaged and vulnerable families.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outcome 2: Access to child care support is simple for families and services.</td>
</tr>
<tr>
<td>Outcome 3: Child care is affordable to families especially those with limited means.</td>
</tr>
<tr>
<td>Outcome 4: Child care services are viable and sector robust.</td>
</tr>
<tr>
<td>Impact 1: Parents of children can engage in work, education and the community.</td>
</tr>
<tr>
<td>Impact 2: Vulnerable and disadvantaged children are engaged and supported.</td>
</tr>
<tr>
<td>Impact 3: Child care funding is sustainable for government.</td>
</tr>
</tbody>
</table>
In addition to these specific outcomes and impacts which reflect program goals and objectives, the evaluation will also investigate whether or not the program has had any unanticipated outcomes.

**Data collection and analysis**

The evaluation involves the extensive collection and analysis of data including surveys of parents, child care services, child care providers, brokerage and support agencies and other key stakeholders, and child care administrative data. This will involve the collection and analysis of both quantitative and qualitative data, and the application of microsimulation and other techniques.

The key data collections planned for the evaluation are:

- surveys of child care services
- online data collection and interviews with parents
- qualitative interviews with services, providers, brokerage and support agencies and other stakeholders
- a set of detailed case studies involving intensive data collection at the local level and the participation of services, stakeholders and parents.

The evaluation includes a focus on particular groups of families including Aboriginal and Torres Strait Islander families, families of children with disability, and families with different work arrangements, including those working irregular or non-standard hours. It will also focus on services in different contexts, such as those in more remote areas, and those with a higher proportion of vulnerable families.

**Reporting**

The consortium will be reporting to the Department on evaluation findings throughout the period of the evaluation, culminating in a final impact and outcomes report in 2021.
1. Introduction to the framework

1.1. Background

The Australian Institute of Family Studies in association with the Social Research Centre, the UNSW Social Policy Research Centre and the ANU Centre for Social Research and Methods has been commissioned to undertake an independent evaluation of the Australian Government's New Child Care Package (the Child Care Package or the Package) including the major policy changes being implemented in July 2018. The evaluation is to be undertaken between December 2017 and June 2021. The Department envisions evaluation activity extending to June 2023 and while this framework does not explicitly cover the period post June 2021, it has been designed to provide the basis for the longer-term evaluation. In this document, the evaluation to be undertaken December 2017 to June 2021 is referred to as Stage 1 and the period July 2021 to June 2023 as Stage 2.

This document outlines the Evaluation Framework for the Child Care Package. The framework identifies the key elements of the evaluation program including the key objectives against which the Package is to be evaluated. The Evaluation Framework is a living document that is expected to be revised as the Package and its administrative arrangements are implemented, as the Package impacts on families and services, and as the evaluation team, the Department and program stakeholders identify emerging issues.

1.2. The objectives of Australian Government child care support

To frame the Evaluation Framework within the policy objectives of Australian Government child care support, the Portfolio Budget Statement for the Department of Education and Training\(^1\) gives the objectives of the Child Care Program as:

The program helps families to participate in the social and economic life of the community by:

- promoting and supporting quality and affordable child care
- assisting services to improve access and inclusion for vulnerable or disadvantaged children and families, including children with disabilities and their families
- supporting the sustainability of child care for all Australian children and families including in areas and/or under circumstances where services would not otherwise be viable
- developing, maintaining and disseminating information to assist families to make informed decisions about child care and the related support programs and services provided or funded by the Government

• supporting child care services to be more responsive to the needs of families.

1.3. Structure

The Evaluation Framework is structured as follows:

- Section 2 presents the main elements of the child care package and the broader policy context in which it sits.
- Section 3 presents the proposed approach to the impact and outcome evaluation.

The Appendices provide supplementary information, which we refer to throughout this document.

2. The Child Care Package and broader context

This section provides context to the Evaluation Framework by summarising the main features of the Child Care Package and other contextual factors.

The information can be read in conjunction with more detailed information about the Package, provided in the Appendices. Appendix 1 summarises information about child care funding and Appendix 2 contains extracts from a number of Ministerial speeches and statements which provide an articulation of the Government’s policy objectives and motivations for the initiatives. Throughout this document, we refer to the changes being implemented as the Child Care Package.2

Section 2.1 provides an overview of the components of the Child Care Package, with some additional detail about the Child Care Subsidy and Additional Child Care Subsidy in Appendix 3. Following, Section 2.2 highlights the key changes from the pre-reforms child care arrangements, which are summarised in Section 2.4. Importantly, the Child Care Package is only one of a range of measures and policies that affect the provision of child care in Australia. In evaluating the outcomes and impacts of the Child Care Package for Australian children, families, the community and governments, this broader context needs to be taken into account, and in Section 2.5 a number of these policies are outlined.

2.1. Components of the Child Care Package

Overview

The key components of the Child Care Package are shown in Figure 1, and a broad overview of each of the elements is described in the following sections.

---

2 The nomenclature of the policy changes has varied over time. The key legislative instrument was entitled the Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2017 with the language of ‘Jobs for Families Child Care Package’ being used extensively in earlier presentations of the changes.
Child Care Package Evaluation Framework

Figure 1: Main program elements of Child Care Package and related child care programs

Child Care Subsidy

The key program parameters are listed below. Some additional detail is provided in Appendix 3.

- A subsidy is paid directly to a child care provider based upon parental eligibility for and entitlement to assistance. The subsidy is paid as a percentage of the fee charged, up to an hourly rate cap
  - At July 2018, the hourly rate caps will be $11.77 for Centre Based Day Care, $10.90 per hour for Family Day Care and $10.29 for Outside School Hours Care. These caps are indexed annually based on the All Groups CPI.³
  - The percentage of Child Care Subsidy a family will be entitled to is dependent on their combined annual family income, with the rate of subsidy decreasing for families with higher incomes.
    - For families with an income of $66,958 or less the maximum rate is 85%. This then tapers to 50% at an income of $171,958, remaining at this rate up to $251,248 before again tapering to a rate of 20% at $341,248 and holding at this rate until the income reaches $351,248. Families with income at or above $351,248 will have zero Child Care Subsidy entitlement.
    - The actual subsidy paid to a provider is 95% of the notional subsidy as 5% is withheld and payable to families after annual reconciliation (or is used as an offset to any debt they have because of any underestimation of annual income).
  - For families with a joint income over $186,958 per annum there is a cap of $10,190 per child per year on the amount of Child Care Subsidy provided. For families with lower incomes

³ Care is usually based upon sessional rates. These are converted to an hourly rate dependent on the length of sessions up to a 12-hour maximum.
there is no cap. The number of hours of Child Care Subsidy a family is entitled to per child per fortnight is subject to an activity test and related policies

- The key element is a stepped activity test (in couples based on the hours of activity of the member with the fewest hours). For those with activity of 8–16 hours per fortnight, 36 hours of child care subsidy per fortnight is available. Parent who do 16–48 hours of recognised activity will be entitled to 72 hours of subsidy per fortnight and where parents do more than 48 hours of recognised activity, 100 hours of subsidy per fortnight is available. Recognised activities include paid work, being self-employed, doing unpaid work in a family business, looking for work, volunteering and studying.

- Under the Child Care Safety Net, families with an annual income of $66,958 or less who do not meet the Child Care Subsidy activity test are entitled to the Child Care Subsidy for 24 hours of care per fortnight.

- Some people in particular circumstances will be exempt from the activity test (including, e.g., those on a Disability Support Payment or Carer Payment).

In addition, parents are required to meet residency requirements and the child needs to meet immunisation requirements and be aged 13 years and under and not be attending secondary school.

Associated operational changes

The Package also involves a number of changes to the regulatory framework for services. Major elements of these include:4

- Removal of requirements for hours of operation per day or days per week. Services will now only have a requirement to operate for a minimum of 48 weeks per year, or if the service only provides outside school hours care, for a minimum of 7 weeks per year; and

- New obligations on services to comply with the Family Assistance Law and a strengthened compliance framework, requirements for providers to report educator 'Working with Children Check' details, a limit on backdating children's attendance records and the ability for the Minister to make legislative instruments to place a pause on child care service applications in defined circumstances.5

Additional Child Care Subsidy

The Additional Child Care Subsidy (ACCS) is a top-up payment to the Child Care Subsidy. It provides additional fee assistance to families and children facing barriers in accessing affordable child care. The four elements of the Additional Child Care Subsidy are described below. More detailed information is provided in Appendix 3:

- **ACCS (Child Wellbeing)** provides assistance to support access to approved child care for children who are at risk of serious abuse or neglect.
  - Eligibility extends to children who have been abused or neglected and may continue to suffer harm as a result, and also children and families before they reach crisis point and become subject to the mandatory reporting system.

- **ACCS (Grandparent)** provides assistance to support grandparent primary carers.
  - Eligibility is for grandparents who are in receipt of an income support payment, caring for their grandchild/ren for 65% or more of the time and have substantial autonomy for

---


5 Some of the new compliance powers commenced operation in April 2017.
day-to-day decisions about the child’s care, welfare and development. See Appendix 3 for more information about support for other grandparent carers.

- **ACCS (Temporary Financial Hardship)** provides short-term increased child care fee assistance to families who, due to exceptional circumstances, are experiencing significant financial stress with the cost of child care.

- **ACCS (Transition to Work)** provides support to parents who are transitioning from income support to work by engaging in work, study or training activities.
  - Individuals may continue to receive ACCS (transition to work) for a further 12 weeks if they gain employment and their income support payments cease.

The subsidy for ACCS (transition to work) is equal to 95% of the actual fee charged, up to a rate equal to 95% of the hourly rate cap, with the number of hours of subsidised care being determined by the individual’s activity test result. The subsidies for the other components are equal to the actual fee charged, up to 120% of the hourly rate cap, and is provided for up to 100 hours per fortnight, irrespective of their level of activity. In the case of ACCS (temporary financial hardship), the activity exemption applies for a maximum of 13 weeks per financial hardship event.

### Inclusion Support Program

The Inclusion Support Program provides support to Early Childhood and Child Care services to build their capacity and capability to include children with additional needs in mainstream services. It commenced in July 2016 and replaced the previous Inclusion and Professional Support Program. Additional needs include (but are not limited to):

- children with disability including those undergoing assessment for disability
- Aboriginal and Torres Strait Islander children
- children from culturally and linguistically diverse backgrounds
- children from a refugee or humanitarian background
- children with serious medical condition/s
- children presenting with language and speech delays
- children presenting with disruptive behaviour.

Under the program, support is provided to ECCC services to enable them to provide inclusive approaches to the provision of child care. This includes access to the Inclusion Development Fund. The program operates through:

- seven state/territory-based Inclusion Agencies (essentially community-based organisations)
- a national Inclusion Development Fund Manager (again currently a community-based organisation) that is responsible for the management of the program and decision making on small scale grants to services.

Support under the Inclusion Support Program takes both a generic approach by services to inclusion, such as the development of Strategic Inclusion Plans, and specific support to address barriers that individual children or groups of children may face. In the case of Family Day Care, top-up support is available where a service is unable to enrol the maximum number of children they are permitted to because of the demands on the educator of including a child with a disability or additional needs.
Community Child Care Fund

The Community Child Care Fund (CCCF) provides grants to child care services to help them to address barriers to participation. The purpose of the fund is to ‘help new and existing services, particularly in rural, regional or vulnerable communities, increase the supply of places in areas of high, unmet demand’. More specifically the fund is designed to:

- reduce barriers in accessing child care, in particular for disadvantaged or vulnerable families and communities
- provide sustainability support for child care services experiencing viability issues
- provide capital support to increase the supply of child care places in areas of high unmet demand.

One specific objective of the program is to assist former Budget Based Funded (BBF) services transition to the new child care arrangements.

The program has three components:

- **CCCF Open Competitive Grants**: These are available to eligible, approved child care services. Grants are intended to supplement fee income received from families, including Child Care Subsidy and Additional Child Care Subsidy payments. Eligibility targets services operating in selected disadvantaged communities, with funding awarded for up to five years.

- **CCCF Restricted Non-Competitive Grants**: These are grants to former BBF services during and beyond the transition period and are designed to support eligible specified services to build capacity and operate sustainably under the new child care system and support services to increase participation by Indigenous children.

- **Connected Beginnings**: This aims to help Aboriginal and/or Torres Strait Islander children in areas of high need be well prepared for school by supporting Indigenous pregnant women and Indigenous children from birth to school age. Over time it is anticipated the program will contribute to reducing the difference in school readiness and education outcomes between Indigenous and non-Indigenous children. This element has operated since July 2016, and each year around $10 million is available to integrate early childhood, maternal and child health, and family support services with schools in a selected number of Aboriginal and Torres Strait Islander communities experiencing disadvantage. Currently, eight projects are being undertaken. This program is jointly funded and implemented by the Australian Government Department of Education and Training and Department of Health.

In Home Care

The In Home Care (IHC) program is part of the Australian Government’s Child Care Package commencing 2 July 2018. It aims to support families’ workforce participation and early childhood education and care requirements where other approved child care services are not available or appropriate. Specifically, the program is directed at families:

- geographically isolated from other types of approved child care, particularly in rural or remote locations
- working non-standard or variable hours outside normal child care service hours
- with complex or challenging needs and where other approved child care services are not able to meet the needs of the family.

---

6 Porter 2017.
It replaces the previous In Home Care program and the Nanny Pilot Program. The IHC program is to be delivered through a networked brokerage model, with eight IHC support agencies whose key role is to advocate for families. The support agencies will match families to IHC services, recommend to the Department the allocation of places to services and establish referral pathways for families to other appropriate services where required. The primary focus of the program is on early childhood education and care. Key program parameters are:

- It is capped at 3,000 ‘places’ (each place representing 35 hours of subsidised care).
- Child care Subsidy for In Home Care is on a per family (not per child) basis and is capped at $25 per hour.
- A family income test will apply to the rate of subsidy received for In Home Care.
- Families may also be entitled to Additional Child Care Subsidy, which increases the potential subsidy to $30 per hour.

2.2. Changes from previous child care system

The new program varies from the previous arrangements in a number of respects. The changes include:

- Replacing the two existing payments, Child Care Benefit (CCB) and Child Care Rebate (CCR), with a single means-tested subsidy, along with enhanced activity testing.
- Bringing together a number of programs, including Jobs, Education and Training Child Care Fee Assistance, Grandparent Child Care Benefit and Special Child Care Benefit, into a single Additional Child Care Subsidy.
- The Community Support Program (CSP) will be replaced by CCCF open competitive grants.
- The cessation of the Budget Based Funding program from 30 June 2018. This program has provided funding to some 300 services, mostly in regional, remote and Aboriginal and Torres Strait Islander communities. Some 140 BBF services will transition to the Child Care Package from 2 July 2018, and BBF services not delivering child care will transfer to alternative funding arrangements in other agencies.
- Changes to the In Home Care Program to improve consistency in service delivery and provide a more equitable and targeted distribution of places for child care and a focus on quality early childhood education and care.

The introduction of the Child Care Package is also being accompanied by a new child care information technology system designed to provide a simpler interface for families and child care services through simplifying, streamlining and automating the administration of child care payments and programs. It will also enhance the capacity of the Department to ensure effective compliance and minimise fraud. Key elements include:

- the ability for families to make Child Care Subsidy claims and view the status of their claims – including the enrolment and attendance details submitted to the government by child care services – by signing into their my.gov.au account to access their Centrelink online account
- an enhanced system for services, either directly accessed through a Provider Entry Point, or through third-party software to provide services with access to a simpler, streamlined and automated administration of the program including the payment of subsidies

---

7 The rationale for this funding stream was that the services would not be viable under normal market circumstances. While in some cases these services could apply to be CCB approved services in large part this was not the case. Similarly, while the program did not have a mandatory fee schedule they were required to ‘ensure that those families with the capacity to pay do so’ (Department of Education, 2014).
8 Nearly 140 BBF services delivering child care will transition to the new child care package from 2 July 2018. These child care BBFs all applied for funding under the CCCF grant opportunity.
2.3. Financial sustainability

One of the priorities emphasised by the government in the introduction of the package is that the policies be financially sustainable. This policy is being pursued through a number of mechanisms, some of which form part of the actual structure of the subsidy arrangements:

- changes to Family Day Care to reduce fraudulent claims\(^9\) including: the introduction of a cap on hourly fees; age limits for children accessing child care fee assistance in Family Day Care (14 years or older or in secondary school); and the development of a new IT system that is designed to make non-compliance and fraud easier to detect
- the restructuring of the subsidy structure to more closely align funded hours to parental activity and changes in the targeting of subsidies with the intent of ensuring it is directed to those households with the highest need for the assistance
- seeking to place downward pressure on increases in child care fees, including through the introduction of caps on the level of fees to which a subsidy will apply
- changes to the family payments system to find offsetting savings. As indicated by Minister Porter (2017), ‘the significant investment in child care must be fiscally sustainable. Combining fair and reasonable changes to the family tax benefit system and child care reforms into a single bill enables the government to reduce spending and increase workforce participation through an affordable child care system’

2.4. Funding arrangements prior to July 2018

As noted above, the new policy involves substantive changes across the child care system, central to this is the replacement of the income tested Child Care Benefit and the non-income tested Child Care Rebate with the new Child Care Subsidy.

The key parameters of these programs are outlined below.

**Child Care Benefit**

Child Care Benefit is paid with respect to children attending approved care. It can be either paid to the service as an offset to the fees or claimed by the person as a lump sum at the end of the financial year.

- The maximum hourly rate in 2017–18 was $4.30 although the actual payment varies with the amount and type of care and child characteristics.
- All families have access to 24 hours of Child Care Benefit per child per week without meeting a work, training study test, and access to up to 50 hours per week if they undertake at least 15 hours per week work/study/training (for both partners).
- Income tested on family income, an annual income limit (for a single child) of $159,914.

**Child Care Rebate**

Child Care Rebate is a payment to families eligible for the Child Care Benefit (even at a zero rate). The payment could be paid to a child care service fortnightly or to the individual fortnightly, quarterly or annually. The Child Care Rebate is:

---

\(^9\) See Birmingham (2017a).
Child Care Package Evaluation Framework

- non-income tested
- subject to an activity test of the person and partner (if any) – but no minimum hours
- a rebate of 50% of out-of-pocket child care expenses (after receipt of any Child Care Benefit and other child care assistance) up to the annual limit
- 2017–18 annual limit of $7,613 per child
- For individuals in receipt of more than a zero rate of Child Care Benefit, where the Child Care Rebate is paid fortnightly 15% of the payment is withheld to provide a reserve to minimise an individual's debt, which may arise at reconciliation. Where the Child Care Rebate is paid quarterly, the last quarter payment is withheld until after the end of financial year reconciliation.

2.5. The broader policy context

Child care, child development and early childhood education are closely related. This was highlighted in Minister Porter’s second reading speech on the Social Services Legislation Amendment (Omnibus Savings and Child Care Reform) Bill 2017 (Porter, 2017) and in the National Quality Standards for child care which commence with a focus on the educational program and practice of the child care provider. The integral nature of this educational role was both inherent to, and part of the Terms of Reference of, the Productivity Commission Inquiry on Childcare and Early Learning from which the child care funding reforms arise. As noted above, in this regard the Child Care Package is only one component of a wider set of policies that affect the child care sector. Three additional items considered below are:

- changes to the child care regulatory environment
- the introduction of the National Disability Insurance Scheme (NDIS)
- the government’s commitment to the expansion of preschool education, including universal provision for all children in the year before full-time school.

Figure 2 shows how child care services sit within a broader policy context and regulatory framework.

---

10 The Terms of Reference for the Productivity Inquiry commenced by specifying that: ‘the Productivity Commission should use evidence from Australia and overseas to report on and make recommendations about the following:

1. The contribution that access to affordable, high quality child care can make to:
   (a) increased participation in the workforce, particularly for women
   (b) optimising children’s learning and development …’ (Productivity Commission, 2014, p. v).

The Productivity Commission commence their report by indicating that, ‘Early childhood education and care (ECEC) plays a vital role in the development of Australian children, their preparation for school and in enabling parents to participate in the workforce. Such outcomes are contingent on quality ECEC services being accessible and affordable for Australian families and their provision being flexible to match the variety of parents’ work arrangements’ (Productivity Commission, 2014, p. 3)
Changes in the regulatory environment, including quality standards

The new policy is also being introduced at the same time as a number of other changes including to the National Quality Framework\footnote{See <acecqa.gov.au/nqf-changes/decisionrisfaqs>}. These include:

- improved oversight and support within Family Day Care to achieve better compliance and quality across the whole sector
- removing supervisor certificate requirements so service providers have more autonomy in deciding who can be the responsible person in each service, and to reduce red tape
- introduction of a national educator to child ratio of 1:15 for services providing education and care to school-aged children (transitional arrangements and saving provisions apply in some states and territories)
- a revised National Quality Standard commenced 1 February 2018. The revision reduced the number of standards from 18 to 15 and the elements from 58 to 40.

Child care and the NDIS

While the NDIS may provide 'individualised supports to enable a child to attend an early learning service' this is restricted only in situations where a child has very significant and complex care needs that are beyond a reasonable expectation for early learning services to provide. For
example, a child requiring ventilation, which must be supervised by a trained carer or nurse’ (NDIS, 2014).

More generally the NDIS advises:

- The early childhood system has responsibility for the education and care needs of children, including children with disability or developmental delay.
- This includes (NDIS, 2014):
  - providing ‘inclusion supports’ that enable an early learning service to meet a child’s needs through increased staff to child ratios and enabling staff to attend disability-specific training
  - adapting their educational program to the needs of children with disability
  - making reasonable adjustments to buildings, such as ramps, and fixed or non-transportable equipment such as hoists
  - transporting children while they are in an early learning service such as for an excursion.

Preschool education

The Australian Government through the National Partnership Agreement on Universal Access to Early Childhood Education, with states and territories, is committed to the objective that all Australian children have access to 15 hours per week for 40 weeks per year of high quality preschool education in the year before they start full-time school.

There is an important interface between the child care system and the preschool system. This is complex, especially given the significant variation in the delivery of preschool in different states and territories and the diverse roles of child care services with respect to preschool:

- Many children attend preschool in centre-based day care settings.
- In other cases, there is coordination between child care and preschool providers.

Reflecting government priorities to ensure effective participation, in addition to the funding provided though the National Partnership arrangements, there is an exemption from the Child Care Subsidy activity test to provide access to 36 hours of subsidised care per fortnight for children attending a preschool program within a centre-based day care service in the year that is two years before grade 1 of school. This exemption is only available for the preschool child/ren in the family.

3. Outcome and impact evaluation

This section is concerned with the evaluation team’s overall approach to the conduct of the evaluation. It summarises the program logic and key evaluation questions and provides an overview of the different data that will be drawn on to understand the impacts of the new system.

3.1. Program logic

A high-level program logic was developed to inform the evaluation of the Child Care Package. This program logic, in Figure 3, draws on the detailed evaluation planning undertaken by the Department, and reflects the key goals of the Package. These are to promote affordable, accessible and flexible child care for families (in particular, low and middle income families) via a simpler system than the current multi-payment system. The outcomes and impacts are discussed in Section 3.7.
In addition to the identification of outcomes and impacts, which form the focus of the evaluation, underlying this program logic is the recognition of the broader policy context and consideration of children’s wellbeing. While these aspects are not a focus of the evaluation, we are mindful of them in respect to their potential to intersect with Child Care Package and its programs.

**Figure 3: Broad program logic of the Child Care Package**

<table>
<thead>
<tr>
<th>Inputs</th>
<th>Outcomes</th>
<th>Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Care Subsidy</td>
<td>Child care services are accessible and flexible relative to families’ needs, including disadvantaged</td>
<td>Parents of children can engage in work, education and the community</td>
</tr>
<tr>
<td>Child Care Safety Net</td>
<td>Access to child care support is simple for families and services</td>
<td>Vulnerable and disadvantaged children are engaged and supported</td>
</tr>
<tr>
<td>Additional Child Care Subsidy</td>
<td>Child care is affordable to families especially those with limited means</td>
<td>Child care funding is sustainable for government</td>
</tr>
<tr>
<td>Inclusion Support Program</td>
<td>Child care services are viable and the sector robust</td>
<td></td>
</tr>
<tr>
<td>Community Child Care Fund</td>
<td>Broader policy context</td>
<td>Regulatory environment including child care quality, NDIS and preschool.</td>
</tr>
<tr>
<td>In home Care Program</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
This generalised conceptual approach is, in operational terms, underpinned by more detailed program logics associated with each of the individual Child Care Package components, including the underlying theory of change, that have been prepared by the Department. These program logics are a tool for program areas in their Post-Implementation Review work but are not an explicit focus of the impact evaluation.

### 3.2. Evaluation scope and approach

The Child Care Package is a multifaceted intervention in a complex policy and program environment, both building incrementally on aspects of existing provision and introducing major change. As such, this raises issues with respect to the scope of the evaluation, the approach to the Child Care Package and the components of the package and the system, and the extent to which outcomes and impacts can and are measured incrementally in terms of the change to the system or in terms of its overall impact.

### 3.3. Overall approach to the evaluation

Program evaluation can take a range of forms. Some of the more common approaches are detailed in Box 1.

**Box 1: Evaluation approaches**

<table>
<thead>
<tr>
<th>Evaluation approach</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formative evaluation</td>
<td>Ensures that a program or program activity is feasible, appropriate and acceptable before it is fully implemented. It is usually conducted when a new program or activity is being developed or when an existing one is being adapted or modified.</td>
</tr>
<tr>
<td>Process/implementation evaluation</td>
<td>Determines whether program activities have been implemented as intended.</td>
</tr>
<tr>
<td>Outcome/effectiveness evaluation</td>
<td>Measures program effects in the target population by assessing the progress in the outcomes or outcome objectives that the program is to achieve.</td>
</tr>
<tr>
<td>Impact evaluation</td>
<td>Assesses program effectiveness in achieving its ultimate goals.</td>
</tr>
</tbody>
</table>

(Adapted from Salabarría-Peña, Apt, & Walsh, 2007, p. 121)

Elements of each of these will be incorporated into the evaluation of the Child Care Package, with a particular focus on formative and process evaluation in the early stage. This will include providing the Department with early feedback from data collections (such as reporting on any issues or themes emerging from survey responses, interviews and case studies) and supporting the Department’s Post-Implementation Review work. The impact evaluation is, however, the focus of the Evaluation Framework.

### 3.4. Evaluation scope

The Child Care Package contains a number of discrete elements, including some, such as the Connected Beginnings program, which commenced prior to the main changes. Table 1 details the elements and the extent to which they form part of this evaluation task.
### Table 1: Scope of evaluation task

<table>
<thead>
<tr>
<th>Element</th>
<th>Scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Care Subsidy</td>
<td>In scope</td>
</tr>
<tr>
<td>Additional Child Care Subsidy</td>
<td>In scope</td>
</tr>
<tr>
<td>Community Child Care Fund</td>
<td></td>
</tr>
<tr>
<td>Restricted grants</td>
<td>In scope</td>
</tr>
<tr>
<td>Unrestricted Grants</td>
<td>In scope</td>
</tr>
<tr>
<td>Inclusion Support Program</td>
<td>In scope</td>
</tr>
<tr>
<td>In Home Care Program</td>
<td>In scope</td>
</tr>
<tr>
<td>Connected Beginnings</td>
<td>Separate evaluation being undertaken with results to be incorporated into overall evaluation, both drawing on the evaluation and the contribution the element makes to aggregate outcomes.(^{12})</td>
</tr>
</tbody>
</table>

As detailed in Table 1, the element of the Child Care Package not being directly addressed in the evaluation is the Connected Beginnings program. This program, while being part of the Child Care Package, commenced in 2016 and has a specific focus on the integration of health and child care services to better prepare Aboriginal and/or Torres Strait Islander children for school in selected communities.

### 3.5. Evaluation approach

An integrated evaluation of a multi-element program such as the Child Care Package can be approached in a number of ways. A key parameter is whether the evaluation should initially focus on the individual elements of the package, and then build the overall evaluation from the specific evaluations of each of these to generate an overall synthesis, or whether the program should be treated as a set of inter-related elements that operate together to make a system. In this instance, it would be evaluated at this level first, and the individual elements would then be assessed in terms of their contribution to this aggregate outcome.

In the case of child care, this question is further complicated by the extent to which the program can be seen as providing a range of quite different services; in particular, with respect to the services for young children relative to out of school hours care but also in the extent to which the program elements are targeted at particular groups of users. These users include, for example, grandparents, families with additional needs including refugees, Indigenous Australians and other families and children who may be vulnerable and disadvantaged.

In broad terms, the approach proposed to be adopted by the evaluation will be a primary focus on the impact and outcomes of the package overall, with subordinate, but comprehensive, inquiry into specific programs to investigate their contribution to these outcomes, and the extent to which they are effective in achieving their specific roles. The evaluation will also drill down to focus on particular groups of families including Aboriginal and Torres Strait Islander families, humanitarian migrants, families of children with disability, and families working irregular or non-standard hours.

The implications of this approach are further discussed in Section 3.8.

---

\(^{12}\) Australian Health Care Associates (AHA) was contracted in May 2017 to undertake the program evaluation up to June 2019.
3.6. Evaluating change

The evaluation is primarily concerned with the impact of the Child Care Package. This can be viewed in two ways. The first is the incremental change; that is the extent to which the policies contained in the Child Care Package have achieved outcomes relative to those under the pre-existing policies (termed the program marginal effect). The second is that of the overall impact and outcomes of the Child Care Package, and the extent to which it achieves its stated objectives (termed the program absolute effect).

From a policy perspective both the evaluation of the incremental impact of the new policy package and the overall outcomes of child care support are important. That is, while the question of whether the policy changes have improved outcomes is critical to the assessment of these policies, at the same time there is also a public policy interest in the outcomes of the policies as a whole, including the outcomes for children and for their parents.

The focus on the broad outcomes is also valuable in terms of identifying any unexpected outcomes from the policy initiatives.

While the evaluation will be seeking to obtain robust ‘baseline’ data prior to the implementation of the new package, it is recognised that there will be some limitations to this. One is the degree to which existing data systems do not capture the full set of information proposed for collection under the new system. A second is the fact that the bespoke baseline data is being collected subsequent to the announcement of the new package and that some responses with respect to the package have already been effected.

Overall outcome measurement is often an integral element of the identification of incremental effects. That is, the incremental effect is frequently unobservable but rather is derived by inference from the aggregate outcomes prior and subsequent to the policy and program changes. In other cases, including policy fields where there have been longstanding interventions, it is not possible to establish a full counter-factual basis for the measurement of the aggregate effect, that is to identify what the outcomes would have been if there had been no policy change/intervention.

Given these factors, it is anticipated that the evaluation will need to consider both the absolute and marginal effects of the policy settings.

3.7. Evaluation questions

Introduction

The purpose of a priori evaluation questions is twofold. Firstly, it provides a framework for the structuring of the evaluation and focus for data collection and analysis. Secondly, it ensures that the evaluation remains focused on the priority issues and outcomes that have been identified as the program’s objectives and goals. This approach reflects the structured evaluation approach, that is, the evaluation report will, inter alia, specifically address and report on the program against each of the particular evaluation questions established in this Evaluation Framework.

The outcomes and impacts identified within the program logic provide a robust framing for the evaluation questions. Essentially the approach adopted here is to use these outcomes and impacts as the high-level evaluation questions, and to identify under each of these high-level questions a set of critical factors to be taken into account in answering them.

This approach has been adopted for two main reasons:

- To maximise the focus of the evaluation on the key questions
while

- identifying the specific aspects that will be considered in seeking to answer the questions.

While an alternative approach is to identify these additional aspects as specific evaluation questions, this approach is considered to be less effective:

- Having a large number of specific questions framed as evaluation questions leads to an evaluation report that tends to be highly fragmented, with extensive duplication as similar evidence is drawn upon to answer a number of specific questions.
- It carries with it the risk that the answers to the most important questions are overshadowed by the volume of responses to the questions.

The proposed dual structure ensures that attention is given to all of the items identified as being important prior to the implementation, through mapping the detailed considerations to the set of broad questions. Also, this structure allows for the inclusion of additional matters that are identified as important throughout the evaluation process. This is useful, as the full range of specific issues cannot always be identified a priori.

Underlying these key evaluation questions are what can be considered to be some overarching principles that are fundamental to a wide range of social policy interventions. These are:

- accessibility
- affordability
- equity
- sustainability
- participation
- quality.

While the outcomes and impacts, discussed below, have been framed in terms of program-specific outcomes and impacts rather than these overarching principles, it is expected that these principles will be later used in framing the evaluation findings.

As in other areas of social policy, these principles, while being able to be postulated as absolute goals, also contain inherent tensions both with each other and in how they affect each of the stakeholders of the child care system, especially parents, services and the government.

In addition to the specific questions that are focused on the program and its underlying program logic, the evaluation is also charged with identifying any unintended consequences of the Child Care Package. These, which may be both positive or negative, and may relate to effects on other aspects of the child care system or more widely, are considered in terms of cross-cutting issues in Section 3.8.

**Detailed questions and considerations**

<table>
<thead>
<tr>
<th><strong>Outcome 1:</strong> Child care services are accessible and flexible relative to families’ needs, including disadvantaged and vulnerable families</th>
</tr>
</thead>
</table>

Improving the accessibility of child care to families and the capacity of families to access child care that meets their needs is a core objective of the package and is instrumental to enabling the effective participation of parents.

**Considerations:**

- There is improved accessibility/availability of child care services.
  - Reduction in locations with inadequate supply.
The child care sector provides a (an improved) range of flexible care options (such as being able to change or add a session of care at short notice, provision of care outside of standard hours, and meeting the needs of those with part-time and casual employment) and that these meet the needs of families including those with irregular working patterns, including:

- growth in the number of services offering shorter sessions of care
- changed operating hours and days to better meet families’ demands for child care outside core hours

Children with additional and complex needs and families facing disadvantage or geographic isolation, or where parents work non-standard hours can, and do, adequately access high quality child care.

Children with additional needs have increased participation in mainstream ECEC services commensurate with their representation in the overall population.

There are improved child care participation rates across different family types and locations.

Services embed inclusive strategies and practices that enable children with additional needs to access services.

Outcome 2: Access to child care support is simple for families and services

The Child Care Package includes a major restructuring of child care support to simplify and streamline the operation of the provision of financial assistance to both parents and services. These reforms involve both changes to the structure of support payments and the development of the new IT system.

While the focus of this is primarily on the outcomes of the package over time it is also recognised that the transition process is important, not just in terms of the immediate operation of child care support but also for the perceptions of the package and willingness to engage with it.

Considerations:

- The subsidy system is well understood by parents, and parents consider that they can make informed decisions on child care for their children.
- Parents can easily access the portal (myGov) and use the tools available to manage their payments and access information on child care availability, and debts are effectively managed.
- Parents are satisfied with the new child care system.
- The new child care system is perceived to be easy to use for services and services are satisfied with their interactions with the child care system.
- Impact on actual and perceived administrative/regulatory burdens on parents and services.
- The process for transitioning to the new child care system was understood by parents and services.
  - Did transition to the new child care system proceed as intended for providers/services and families?
  - Did external communications and stakeholder engagement provide sufficient guidance/information about the transition?
  - Have the government’s external communications and stakeholder engagement activities enabled service providers and parents to understand the changes and transition to the new system?
Did stakeholders, including parents and services, feel informed and supported through the transition process?

How seamless was the transition for these and other stakeholders?

Was the transition of former BBF child care services to mainstream child care funding seamless and well understood?

Was the transition for families to the reset IHC program and/or other approved childcare services well understood and made with minimal disruption to families?

**Outcome 3: Child care is affordable to families especially those with limited means**

The Child Care Package involves a substantial increase in funding for child care and a refocusing of assistance, central to this is that the care is more affordable especially for those with a lesser capacity to pay and with challenging or complex needs. Central to the restructuring of the support is that the program seeks to ameliorate, rather than acerbate, pressures for increases in child care fees.

**Considerations:**

- The pattern of child care expenses before and after the introduction of the child care package across the population of users and for particular sub-populations, including.
  - Whether out of pocket child care expenses have reduced for low and middle income families
  - The number of families benefitting from increased cap
  - That child care expenses do not represent an impediment to the access to child care where this is required for child outcomes
- Changes in service provision which may improve affordability
  - Closer alignment of hours of care provided and session lengths.
  - Greater flexibility in fee structures.
- Growth in child care fees has been constrained
  - Pattern of child care fees relative to the hourly cap (including by service type and location).

**Outcome 4: Child care services are viable and the sector is robust**

The provision of child care for families is reliant upon a robust, resilient and flexible child care sector comprising both community and private sector providers with effective competition and the provision of a diverse and innovative range of sustainable services while providing a stable supply of these services to families.

In this regard, the evaluation will consider whether the Child Care Package has a systematic impact on the financial viability of child care services or the viability of particular types of service, and on the range of diverse service offerings. The key focus on this is the ability of the child care sector to meet the demands of families for affordable high quality care, which meets their needs and those of their children.

**Considerations:**

- The capacity of the sector to provide child care to meet demand at the local level and offer choice to parents.
- The patterns of demand and provision in locations including in regional Australia.
The nature of the market - including:
- An effective mix of services by provider and type of care
- The nature of any market concentration
- Patterns of market entry and exit including the role of financial viability in contributing to this.

The pattern of CCF funding, including in regional and remote areas.

Services are receiving appropriate support to provide care for children with additional needs.

Services are aware of, and can easily access, programs (ISP and CCF) that support them to provide care for children with additional needs.

Brokerage/support agencies contribute to a viable and robust sector.

Impact 1: Parents of children can engage in work, education and the community

The overarching purpose of providing support for child care provision is to enable parents with young children to participate, primarily in employment but also in education and more widely as members of the community. The Child Care Package contains a number of initiatives directed at enhancing this capacity and targeting support on this goal, including changes to the activity test requirements. The government estimates that the package will increase workforce involvement for around 230,000 families (Porter, 2017).

It is envisaged that three main mechanisms will impact on increased participation:
- the new activity test requirements
- increases in the affordability of child care
- improved availability of child care services appropriate to the employment needs of parents.

Considerations:
- Changes in the pattern of workforce participation at both the extensive and intensive margin (increased participation in employment, and increased hours of work by those employed):
  - across population subgroups including single-parent families, families with children with additional needs, families with challenging or complex needs, geographically isolated parents (particularly in rural and remote locations), and parents with non-standard and variable working hours.
  - across income groups.
- Changes in the extent to which parents consider their workforce participation is constrained by their child care options.
- The contribution of particular programs such as ‘Transition to Work’ in enhancing these outcomes.
- Changes in the participation of parents in:
  - employment-related education and training
  - community activities including volunteering.
- Families with complex needs, including parents of children with additional needs, have the ability to effectively participate in the community and that access to child care is not a barrier to their access to appropriate services and opportunities.

Impact 2: Vulnerable and disadvantaged children are engaged and supported
The Child Care Safety Net is designed to ensure the most vulnerable children get a strong start in life by supporting services to allow adequate access to child care for children from disadvantaged backgrounds, and those with additional needs such as disability or other vulnerabilities.

**Considerations:**

- The extent of participation (access relative to population/relative hours of care/regularity of attendance) in child care of vulnerable and disadvantaged children including:
  - Aboriginal and/or Torres Strait Islander children,
  - children from culturally and linguistically diverse backgrounds
  - children from a refugee or humanitarian backgrounds
  - children from families who have family members who are vulnerable or disadvantaged due to health or disability, as well as grandparent carer families and families facing financial crisis
  - children in remote and regional communities
  - children with a disability or special health care needs
  - children presenting with language and speech delays
  - children presenting with disruptive and challenging behaviours.

- There are appropriate services provided for these children, and appropriate support for the child care services providing these.

- There is effective integration/clarity of roles and care with the NDIS.

- What the impact of the changes is on specialist services and programs such as CCCF-funded services, those supported through the Inclusion Support Program (ISP), and In Home Care services.

**Impact 3: Child care funding is sustainable for government**

The sustainability of child care funding is critical to the long-term viability of the sector and the capacity of government to provide support. This has several dimensions, the first is the extent to which the package more effectively targets assistance and reduces pressure on child care fees. The second is the extent to which increased participation in the paid workforce has a fiscal benefit to the Australian Government through both reduced transfer payments and increased taxation. The third concerns the integrity of the funding system.

**Considerations:**

- Changes in the targeting of assistance as a consequence of the package.

- The extent to which there has been downward pressure on child care fees charged by services.

- Changes to tax revenue and government outlays from the impact of the package on labour force participation

**3.8. Cross-cutting issues and program elements**

The broad approach to be adopted by the evaluation is to consider the child care reforms and their outcomes as a whole. Within this integrated approach the evaluation will, however, consider and report on specific programs. It will also incorporate a number of cross-cutting foci, representing particular sectors of services, and the populations for which services are delivered.
Where there are quite distinct program elements – such as out of school care relative to long day/family day care – the analysis of these will be reported on, highlighting where outcomes vary. This will also be the case with respect to the elements of the child care safety net (ACCS, ISP & CCCF) where the interest is in both how these programs operate with respect to specific outcomes and the contribution to the child care system overall. As such cross-cutting elements of the program will in the first instance be considered at the aggregate.

The three main approaches to these concerns: key service sectors – defined both by the sector and by the program; families – looking at subpopulations of families with specific foci on those with high, or non-mainstream needs, as well as the differential impacts on different family types; and issues that are concerned with the intersection between child care and associated services and activities.

In addition, a key task of the evaluation is to identify and report on any unintended consequences of the introduction of the program. This will be done through ongoing evaluation activities, which may supplement the findings that emerge through the Department’s Post-Implementation Review work.\textsuperscript{13}

The listings here are not comprehensive, nor do they necessarily represent the final classifications to be used in the analysis and reporting; they are primarily indicative of the range of elements and issues that will be considered and those aspects that will be closely monitored in the evaluation. It is anticipated that as the initial analysis is undertaken that these categories will be refined and additional foci will be added, while some lesser attention may be required to others.

**Service foci**

As noted above, the service foci will reflect:

- the different forms of child care, in particular OSHC relative to family day care and long day care for younger children
- different types of service providers including:
  - industry sector – private and community
  - provider type – large providers relative to small providers (both in terms of the size of individual services and with respect to providers with multiple services)
  - to the extent that there is service specialisation by these specific areas of activity
  - location of services – state/territory, rural, regional, urban
  - Previously Budget Based Funded services
- Different ISP or IHC brokerage/support agencies and fund managers (Inclusion Development Fund manager)
- the different program elements:
  - Child Care Subsidy
  - Additional Child Care Subsidy, including specific elements:
    - Additional Child Care Subsidy (Child Wellbeing)
    - Additional Child Care Subsidy (Grandparent)
    - Additional Child Care Subsidy (Temporary Financial Hardship)
    - Additional Child Care Subsidy (Transition to Work)

\textsuperscript{13} Post Implementation Reviews (PIRs) are the responsibility of program areas within the Department, but the evaluation team will be providing support to those program areas, to help guide their PIR activities, and to inform on any evaluation data that may be useful to their PIR work.
Family foci

Child care is required by a diverse range of families. While in some cases this diversity reflects relative capacity to pay for care, in others it relates to the specific needs of parents for care that meets the particular circumstances of their employment, and in others the characteristics of the parents or children with complex or additional needs, sometimes linked to health or disability, or language capability, or the exposure of children to risk.

While the focus will be on those families that use child care services, attention will also be given to those not using services, including potentially any who may withdraw from child care under the new Child Care Package.

Subpopulations of particular interest to the evaluation include:

- the diverse needs of families and children:
  - grandparents
  - different points in the income distribution, including families facing financial stress or hardship
  - humanitarian status/refugee children and children with diverse cultural and linguistic needs
  - child or parent with a disability or serious long-term illness
  - families with children of different ages
  - families living in regional, remote and rural locations, as well as those who need to obtain child care in high cost locations such as major capital CBDs
  - single parents and separated families
  - Aboriginal and Torres Strait Islander families, including the different circumstances of those in remote, regional and urban locations.

- parents with particular employment needs:
  - those working non-standard working times and long commute times to and from work (and care arrangements)
  - those with flexible or varying working arrangements, including those in precarious working arrangements and farming families with seasonal child care needs
  - parents transitioning from income support to work.

- program specific groups of parents:
  - those families with higher or lower entitlements to support under the Child Care Package, including those who may lose eligibility.

- a particular focus on the group who may face reduced provision under the new activity test and those parents who are exempt from the activity test.
Inter-sectoral cross-cutting

A third dimension is intersectoral cross-cutting issues; that is, the interaction of the Child Care Package with other policies and programs which impact on children and their families. These include:

- preschool education
- the NDIS
- flexible working arrangements and other aspects of Australia’s National Employment Standards.
- child care quality, in particular the National Quality Standard (and state/territory regulation)

As has been discussed above, while these intersectoral elements are not the focus of the Child Care Package evaluation, they impinge on the implementation of the package and on the outcomes that the Child Care Package can achieve. They will therefore be important to take into account when analysing the outcomes and impact of the Child Care Package.

Unintended consequences

Significant policy and program changes inevitably result in some unintended consequences, and the identification of these is central to the evaluation. Such unintended effects can be both positive and negative and include the way in which the package may support the pursuit of other policy objectives.

One dimension in which such effects may be manifest is in terms of the interactions of the Child Care Package with other policies and programs that impact on child care as identified in the intersectoral cross-cutting issues. For example, the interaction of the Child Care Package with specific state or territory government regulations may result in some unintended consequences in particular jurisdictions. In addition, is the question of effective integration of child care and the NDIS, as lack of seamlessness here may have adverse effects on the capacity of parents to participate. Another dimension is the impact of the package on child care quality and child outcomes. Two specific aspects are: any impacts of the Child Care Package on the quality of child care across the sector overall; and any changes in the accessibility to quality child care for particular subpopulations of parents and children. Potential impacts such as these are also important as, as noted, they may then contribute to the decision making of parents in respect to their children’s participation in care and their own engagement in paid work.

3.9. Elements of the evaluation

Broad approach

The evaluation approach is underpinned by three main principles: maximising the use of existing data; exploiting the opportunities for data linkages wherever possible to allow for the maximum leverage; and using data longitudinally to allow for more robust analytical techniques.

The evaluation will draw upon:

- data collected by the evaluation team specifically for this evaluation
- data collected by The Department, for program monitoring or evaluation
- administrative data, including the Department and Department of Human Services (DHS) administrative data
- data collected by the Australian Bureau of Statistics (ABS) or other organisations.
The multi-dimensionality for the goals of the reforms means that a multi-faceted evaluation approach is required, which will allow the triangulation of data from different sources and methodologies to arrive at robust evaluation findings. In addition, given that the changes will be rolled out universally from 2 July 2018, the evaluation will rely on pre- and post comparisons as well as triangulation of data in the absences of a control group.

Key elements

The key elements of the evaluation:

- Quantitative survey data from parents and providers about their experience with the child care system and the impact of the changes will be collected and analysed. This data will include:
  - data collected through the Department’s parent survey. This includes a baseline data collection prior to the implementation of the Child Care Package ($n = 6,000$), then subsequent biannual surveys starting September 2018 and concluding March 2020.
  - a proposed online panel survey conducted by AIFS. This will be recruited from initial waves of the Departmental parent survey
  - specific survey data, collected by the evaluation team, focusing on the ISP and IHC programs.

- Other relevant surveys (e.g. the Child Care Workforce Census) undertaken by the Department will be analysed including those associated with measuring the effectiveness of communications strategies and those undertaken as part of monitoring and compliance (e.g. Random Sample Parent Check). Analysis of administrative data about the child care system (related to families and providers), in particular to analyse changes over time and to analyse and compare the circumstances of families and services who might have been impacted by the reforms in different ways. These data will include service level data, data about families and children’s use of child care, cost data and data on debts, parents’ use of tools such as the parent portal, and outcomes of activities such as communications campaigns. Specifically, this will include:
  - a series of ‘strip files’ relating to families and their use of child care and of child care services. These will form a key resource for the analysis of patterns of child care use (including relative to sessional length), cost and affordability, and the use of program elements such as ACCS (including system-based information on reasons), data on Strategic Inclusion Plans, the nature of service provision including opening times, fees, levels of utilisation and service entries and exits. This data source will have a range of demographic information on parents and children and on the geography of parents and services.
  - Inclusion Agency and Inclusion Fund Development Manager reports
  - Data from IHC transition project
  - data from ACECQA’s National Quality Agenda Information Technology System (NQA ITS)
  - grant data from the Department of Social Services (DSS) Community Grants Hub
  - access to regular reporting on the programs
  - access to the Post Implementation Reviews being undertaken by program areas that are monitoring and assessing the implementation and establishment phase of the program
other information collected by the Department including, if conducted at a relevant timing for the evaluation, the Child Care Workforce Census.

- A multifaceted approach to measuring child care affordability will be undertaken. This would comprise: parent assessments from the Parent Survey; analysis of information on affordability contained in administrative data; and microsimulation modelling using ANU PolicyMod to identify both aggregate and subpopulation (family type, number of children, income levels and regionally), with results benchmarked to administrative data.

- The impact of the child care reforms on workforce participation will be measured. This will be undertaken using a multi-faceted approach, which will allow the triangulation of data from different sources and methodologies to arrive at robust evaluation findings. In addition to the direct use of administrative data and the results of surveys of parents, and in-depth and focus group components of the data collection, we propose several strategies to measure change and understand how individual parents respond. Elements include: well calibrated econometric labour supply models to estimate the impact of price changes on work force participation (intensive and extensive); econometric analysis of labour force data to identify participation change; and choice experiments using online survey.

- In-depth qualitative data will be collected including with parents, providers and other stakeholders. A series of case studies that will examine the interactions between parents, providers and other stakeholders and the interfaces with other programs and policies in different social, demographic and program contexts (see below).

- Broad patterns and trends in parental employment, child care use and identification of child care as a barrier to employment from HILDA and relevant ABS surveys will be analysed.

To integrate the evaluation findings with other aspects of monitoring and review of these reforms being undertaken by the Department, the evaluation will:

- undertake extensive ongoing discussions with the Department
- draw on monitoring, reviews and evaluations conducted by the Department into specific program aspects
- draw on learnings from related research.

### 3.10. Evaluation-specific data collections

This section provides an overview of the primary data collections to be undertaken by the evaluation consortium to feed into the analysis of outcomes and impacts. As the evaluation progresses, more detail about these data collections will be developed, and this detail will be included in appendices to this document.

There are four proposed methodologies for data collections by the evaluation team. These are:

**Survey of services (longitudinal)**

This survey will specifically collect information for the purposes of the evaluation, it will be delivered by a mix of online and telephone at three time points across the evaluation with approximately 1,800 participants at each time point.

**Qualitative interviews with services and/or providers (longitudinal)**

Three rounds of interviews with services/providers and key stakeholders (including peak bodies, policy makers).
Case studies

Targeted community-based, program-based and population-based case studies will be undertaken to explore how the package works as a whole for parents and services and to also understand how the package has impacted on specific groups and locations.

These communities and groups will be agreed with the Department but will likely include urban and regional locations, parents at different points of the income distribution, Indigenous communities, and parents with specific employment circumstances (including irregular hours and precarious employment).

These case studies will involve both qualitative and quantitative elements, including:
- Qualitative interviews with providers, services and other stakeholders
- Qualitative semi-structured interviews with families

The case studies will also draw on the other evaluation components, to provide details of service provision in the sites and/or to provide comparisons with other locations. Depending on the complexity of the issues, sites may be visited several times

It is proposed to undertake 12 case studies, including one focused specifically on the ISP and one focused on IHC program.

Online Parent Panel [Proposed]

This proposal is subject to further discussions with the Department and internal review to ensure that the survey is able to be conducted within existing resources.

It is proposed that this be conducted as an online longitudinal panel. The survey will be designed to collect information on:
- parents’ employment and child care activity
- parents’ experience of child care provision, including their perceptions about the services their children receive and require
- the experience and perceptions of parents relating to the Child Care Subsidy, including their use and experience of the portal (In the wave prior to implementation this will cover their knowledge of the new system and its implications for them)

Timing for this has yet to be resolved but current thinking is that it will involve an initial baseline survey prior to implementation and a series of three or four surveys in the following two years.

The panel would be recruited off the back of the first two waves of the Departmental Parent Survey.

IHC and ISP data collections

Additional data will be collected to integrate the ISP and IHC programs into the broader evaluation. Data collections will include:
- Quantitative surveys and qualitative case studies and interviews of IHC and ISP funded services, providers and brokerage/support agencies.
- A survey of, and qualitative interviews with, families receiving services from the IHC program.
3.11. Roles and responsibilities

The AIFS led consortium has the primary responsibility for the conduct of the independent outcome and impact evaluation and the Australian Government Department of Education and Training has primary responsibility for the formative and process evaluation.

The consortium has a supporting role for the work being undertaken by the Department through providing advice to different program areas on their Post Implementation Reviews (PIRs) and in providing advice and support to the Department in the development of their Early Monitoring Strategy. This includes producing 10 early monitoring snapshots for the Department as part of their Early Monitoring Strategy.

The Departmental PIRs, in addition to their role in enabling the Department to monitor the implementation of the program and provide a basis for any required policy or process adjustments, will also provide an important resource for the outcome and impact evaluation.

Any early findings from the outcome and impact aspect of the evaluation will be provided to the Department to allow it to consider the need for any response.

A simplified structure of the roles and responsibilities of the AIFS consortium and the Department in the evaluation process is given in Table 2.

Table 2: Main roles and responsibilities

<table>
<thead>
<tr>
<th>Stage</th>
<th>Department of Education &amp; Training primary responsibilities</th>
<th>AIFS Consortium primary responsibilities</th>
</tr>
</thead>
</table>
| Formative & process| Conducting Post Implementation Reviews (PIRs)  
Provision to the AIFS Consortium of administrative and other Departmental-generated data necessary for early monitoring reports/snapshots | Providing support and input into the development of PIRs  
Providing advice on critical issues identified through the evaluation process. Producing early monitoring reports (note that these are a mix of formative & process and outcomes & impact) |
| Outcome & Impact    | Review of proposed methodology to ensure alignment with program objectives  
Provision of administrative data (including that required for survey samples)  
Provision of access to other Departmental survey data (including the Parent Survey) | Qualitative and quantitative data collection  
Analysis of consortium-generated data and Departmental survey and administrative data  
Integration and reporting of evaluation findings |

3.12. Timing of data collections

Tentative timelines for these different data collection activities are described in Table 3, and more detail about each is described in the subsections below.

These timelines will be confirmed following further consultations with the Department and other stakeholders (such as the Implementation and Transition Reference Group) and further information about the timing of the availability of samples via the Department's administrative data.
Updates to these timelines will be provided as attachments to this framework as the evaluation progresses.

Table 3: Proposed timing of evaluation specific data collections

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Quantitative survey of services (longitudinal)</td>
<td>Wave 1 April–May 2018</td>
<td>Wave 2 Oct 2019</td>
<td>Wave 3 Oct 2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Qualitative interviews with services/providers and stakeholders (mix of longitudinal and cross sectional)</td>
<td>Wave 1 Sep–Oct 2018</td>
<td>Wave 2 Aug–Sep 2019</td>
<td>Wave 3 Aug/Sep 2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Case studies</td>
<td>Timing to be determined</td>
<td>Timing to be determined</td>
<td>Timing to be determined</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Longitudinal Panel Survey of Parents</td>
<td>Timing to be determined</td>
<td>Timing to be determined</td>
<td>Timing to be determined</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quantitative surveys of ISP funded services</td>
<td>Wave 1 Nov–Dec 2018</td>
<td>Timing to be determined</td>
<td>Timing to be determined</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A survey and qualitative interviews with families receiving services from the IHC program</td>
<td>Wave 1 Nov–Dec 2018</td>
<td>Timing to be determined</td>
<td>Timing to be determined</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quantitative surveys of IHC funded services</td>
<td>Wave 1 Feb 2019</td>
<td>Timing to be determined</td>
<td>Timing to be determined</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3.13. Timelines

Initial work on the development of the evaluation commenced in December 2017 and it is anticipated that the final evaluation report for Stage 1 of the evaluation will be presented in June 2021. Part of Stage 1 of the evaluation is to develop a roadmap for Stage 2 evaluation activities required between July 2021 and June 2023. The broad timetable for the evaluation and critical major reporting dates are given in Table 4.
### Table 4: Timeline for main project deliverables

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
<th>Target date</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td><strong>Phase 1</strong> – Evaluation Framework finalised</td>
<td>March 2018</td>
</tr>
<tr>
<td></td>
<td><strong>Phase 1</strong> – Detailed data specification finalised</td>
<td>TBA</td>
</tr>
<tr>
<td></td>
<td><strong>Phase 2</strong> – Early Monitoring Report</td>
<td>Early December 2018</td>
</tr>
<tr>
<td></td>
<td>Report on baseline findings, early monitoring of outcomes and impacts and initial findings from program PIRs.</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td><strong>ISP Evaluation Report</strong></td>
<td>June 2019</td>
</tr>
<tr>
<td></td>
<td><strong>IHC Evaluation Report</strong></td>
<td>June 2019</td>
</tr>
<tr>
<td></td>
<td><strong>Phase 2</strong> – Interim Report</td>
<td>Early December 2019</td>
</tr>
<tr>
<td></td>
<td>Report on ongoing monitoring of outcomes and impacts, including the findings of program PIRs and to the extent possible early findings on impact.</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td><strong>IHC Evaluation Report</strong></td>
<td>June 2020</td>
</tr>
<tr>
<td></td>
<td><strong>Phase 3</strong> – Working draft report &amp; Evaluation Roadmap</td>
<td>December 2020</td>
</tr>
<tr>
<td></td>
<td>This report will provide a roadmap for the ongoing 2021–23 evaluation activities of the package, informed by the work in progress on the final report of the evaluation.</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td><strong>Phase 3</strong> – Draft final report</td>
<td>March 2021</td>
</tr>
<tr>
<td></td>
<td>This report will be the draft of the final report of this phase of the impact evaluation and will be complemented by the final roadmap for the ongoing evaluation program following feedback on the December draft.</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Phase 3</strong> – Final report</td>
<td>June 2021</td>
</tr>
<tr>
<td></td>
<td>Incorporating feedback on March 2021 version.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Note: Some revision of the final report may be required during the period Jun–Dec 2021.</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Project completion</strong></td>
<td>December 2021</td>
</tr>
</tbody>
</table>

In addition to the preparation of formal written reports at each of these stages, along with regular quarterly reports on the status of the evaluation and key evaluation activities, it is anticipated that each of the major reporting phases will also involve presentations of the evaluation findings in appropriate departmental forums.

### 3.14. Ethics

The evaluation will be undertaken within an ethics framework as established by:
- The NHMRC National Statement on Ethical Conduct in Research Involving Humans; and
- The AIFS ethics statement, Ethical Issues in the Research Process.

The approach, methodology and data collections will be subject to the approval of the AIFS Ethics Committee which is a Human Research Ethics Committee registered with the National Health and Medical Research Council (NHMRC) and Aboriginal and Torres Strait Islander Ethics Committee as appropriate.
3.15. Data management

Data management strategies will apply for the handling, storage and analysis of data throughout the evaluation.

As an Australian Government agency, AIFS is required by the Protective Security Policy Framework (PSPF) to comply with the Information Security Manual developed by the Defence Signals Directorate for the protection of official government information, and with the Privacy Act 1988. As an accredited Commonwealth Data Linkage and Integration Authority, AIFS meets stringent criteria covering project governance, data linkage capability and information management and can integrate Commonwealth data for high-risk research projects. Information that identifies respondents is stored securely, and access to data, whether identifying or de-identified, is only made available to those AIFS researchers or other consortium members with appropriate levels of security clearance and a direct need to access it. All transmission of data will comply with the PSPF and, as such, requires encryption and password protection.

AIFS will ensure that appropriate information management and data security procedures are in place for all consortium members. Access to evaluation data (Departmental or collected by the evaluation team) will be restricted to those who have a need for this information, and have appropriate levels of security clearance.
Appendix 1: Context – Child Care funding

Current budgetary provision for Child Care is shown in Table A-1. This indicates that 2017–18 expenditure on the program is currently some $7.7 billion, with this rising to $8.5 billion in 2018–19 as the Child Care Package is implemented.

The table also shows some of the transitions in funding, in particular the cessation of funding of the Child Care Benefit and Child Care Rebate with the introduction of the new Child Care Subsidy.

Table A-1: Expenditure and Budget Estimates Child Care Programs 2016–2017 to 2020–21

<table>
<thead>
<tr>
<th>Program expenses 1.1 Support for the Child Care System</th>
<th>2016–17 Actual $’000</th>
<th>2017–18 Revised estimated expenses $’000</th>
<th>2018–19 Forward estimate $’000</th>
<th>2019–20 Forward estimate $’000</th>
<th>2020–21 Forward estimate $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child Care Services Support</td>
<td>238,261</td>
<td>303,080</td>
<td>346,605</td>
<td>353,103</td>
<td>359,498</td>
</tr>
<tr>
<td>Jobs Education and Training, Child Care Fee Assistance (JETCCFA)</td>
<td>26,410</td>
<td>36,969</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Child Care Subsidy Communications Campaign</td>
<td>204</td>
<td>15,867</td>
<td>87</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Accounts:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Early Years Quality Fund Special Account Act 2013</td>
<td>2,060</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total expenses for program 1.1</td>
<td>266,935</td>
<td>355,916</td>
<td>346,692</td>
<td>353,103</td>
<td>359,498</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Program expenses 1.2 Child Care Benefit</th>
<th>2016–17 Actual $’000</th>
<th>2017–18 Revised estimated expenses $’000</th>
<th>2018–19 Forward estimate $’000</th>
<th>2019–20 Forward estimate $’000</th>
<th>2020–21 Forward estimate $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>A New Tax System (Family Assistance) (Administration) Act 1999</td>
<td>3,648,992</td>
<td>3,538,305</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total expenses for program 1.2</td>
<td>3,648,992</td>
<td>3,538,305</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Program expenses 1.3 Child Care Rebate</th>
<th>2016–17 Actual $’000</th>
<th>2017–18 Revised estimated expenses $’000</th>
<th>2018–19 Forward estimate $’000</th>
<th>2019–20 Forward estimate $’000</th>
<th>2020–21 Forward estimate $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>A New Tax System (Family Assistance) (Administration) Act 1999</td>
<td>3,627,409</td>
<td>3,798,480</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total expenses for program 1.3</td>
<td>3,627,409</td>
<td>3,798,480</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Program expenses 1.4 Child Care Subsidy</th>
<th>2016–17 Actual $’000</th>
<th>2017–18 Revised estimated expenses $’000</th>
<th>2018–19 Forward estimate $’000</th>
<th>2019–20 Forward estimate $’000</th>
<th>2020–21 Forward estimate $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>A New Tax System (Family Assistance) (Administration) Act 1999</td>
<td>-</td>
<td>-</td>
<td>8,169,209</td>
<td>8,877,469</td>
<td>9,231,048</td>
</tr>
<tr>
<td>Total expenses for program 1.4</td>
<td>-</td>
<td>-</td>
<td>8,169,209</td>
<td>8,877,469</td>
<td>9,231,048</td>
</tr>
</tbody>
</table>

| Total Child Care | 7,543,336 | 7,692,701 | 8,515,901 | 9,230,572 | 9,590,546 |

Appendix 2: Government statements and the Child Care Package

The general goals of public support for child care were discussed in Section 2. This Appendix presents relevant extracts from some of the key Ministerial statements on the Child Care Package. Initially this package of reforms was referred to as the ‘Jobs for Families Child Care Package’.

In a joint press release by the Prime Minister, Treasurer and Ministers Birmingham and Porter the package of measures was described as:

the most significant reform to the early education and care system in 40 years, as well as … budget savings to ensure the reforms are fully paid for and the Budget is sustainable into the future … Our reforms will give around one million Australian families relief from out-of-pocket child care cost pressures and provide more children with the opportunity to benefit from early education. The package of measures creates a better environment for Australian parents who want to work or work more. Support will target those who work the most and earn the least. A working family earning $60,000 a year will pay around $15 per day for child care. We will also remove Labor’s cap on the $7,500 Child Care Rebate – meaning there will be more incentive for parents who want to enter the workforce or work more.

The Jobs for Families child care package is designed to put downward pressure on increases through our hourly rate cap, increase workforce involvement for 230,000 families and ensures the most vulnerable children get the best start in life. It also delivers stronger compliance powers to stamp out rorting, building on more than $421 million worth of crackdowns so far. (Turnbull, Morrison, Birmingham, & Porter, 2017)

In his second reading speech on the Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2016, the Minister for Social Services said:

This package will deliver genuine, much-needed reform for a simpler, more affordable, more accessible and more flexible early education and child care system and will invest around $40 billion in child care and early childhood education over the next four years, INCLUDING more than $3 billion in additional funding. This is the single largest investment in early learning and child care that Australia has ever seen.

Almost one million Australian families will benefit as a result of this childcare assistance package. Low- and middle-income families will be the greatest beneficiaries …

Together, these reforms will ensure that, in a fiscally sustainable way, we can achieve three important goals:

1. continue to assist families in raising their children and provide access to quality early learning opportunities over the long term
2. enable and encourage greater workforce participation
and

3. simplify our child care payments and social security systems …

The key elements of the Child Care Reform Package are:

- A new, simpler child care subsidy, which will improve affordability
- The child care safety net, which will improve accessibility and comprises three elements:
  - the Additional Child Care Subsidy
  - the Community Child Care Fund
  - the Inclusion Support Program.

Reducing red tape for services by removing the minimum hours per day and days per week opening requirements for child care services so they can operate more flexibly to meet family needs …

Our objective is to help parents who want to work, or who want to work more, while still focusing on early childhood education.

Having two parents in paid employment has become the preferred choice for most families because of the changes in our society and economy over many years. More affordable access to quality child care puts the opportunity of work within far better reach of more families.

The Jobs for Families Child Care Package is designed to support more families, including jobless families, to increase their participation in work, training, study or volunteering. The government’s significant investment is targeted to those who need it most – low- and middle-income families who are juggling work and parenting responsibilities.

We want families to choose their child care around their work, rather than limit their work hours to suit their child care. It is estimated that the package will encourage more than 230,000 families to increase their involvement in paid employment …

Review and evaluation

Given the significant nature of this reform, it is important that its implementation and impact is understood. To that end, there will be ongoing monitoring and review of the package. An integral part of the strategy will be post-implementation review and an impact evaluation.

Conclusion

By way of conclusion, this bill, and the Jobs for Families early education and child care package more generally, will deliver significant and greatly needed reform through a simpler, more affordable, more flexible and more accessible child care system.
Consistent with being financially responsible, the government is determined to achieve budget repair. The Jobs for Families Child Care Package is to be implemented using savings contained in the Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill 2016. The family payment measures are sensible, they are practical and they are aimed at ensuring the sustainability of our system.

The government has clearly outlined its fully funded, long-term reform plan, which delivers support for children and families, and a sustainable system for taxpayers. Our early education and childcare reforms have been the subject of extensive consultation and will direct the greatest support to those families working the most hours and earning the least … (Porter, 2016)

In his second reading speech on the Social Services Legislation Amendment (Omnibus Savings and Child Care Reform) Bill 2017 the Minister for Social Services said:

Workforce participation and self-reliance are central to improving long-term wellbeing … The government remains committed to investing in child care to provide parents with more choice and opportunity to work, and to provide children with high-quality early education.

The Jobs for Families Child Care Package delivers genuine, much-needed reform for a simpler, more affordable, more accessible and more flexible early education and child care system … supporting … families to balance work and parenting responsibilities, this package … will provide the greatest hours of support in child care to the families who work the longest hours, and the greatest financial support to the families who earn the least … is estimated … will encourage more than 230,000 families to increase their involvement in paid employment [and] place downward pressure on what have been incessant child care fee increases … provide a child care safety net for the most vulnerable children and slash red tape so that services can offer more flexible hours.

The Jobs for Families Child Care Package also includes a number of other important measures that are not formally part of the bill being introduced today. This includes the Community Child Care Fund which will help new and existing services, particularly in rural, regional or vulnerable communities, increase the supply of places in areas of high, unmet demand. (Porter, 2017)
Appendix 3: Supplementary detail on specific programs of the package

Further details about the Child Care Subsidy

- CCS will be paid to the provider retrospectively based on their reporting of children's attendance at sessions of care. The subsidy will be paid if a child attends part of the session of care to ensure that if a child is, for example, picked up early but the parent pays for an entire session that they are able to access fee assistance for the whole session of care.
- Individuals are required to make an estimate of their expected annual combined adjusted taxable income when they make a claim for CCS. They are able to update that information should their income estimate change over the course of the year.
- The Child Care Subsidy activity test is based on the hours of recognised activity per fortnight. Parents whose work hours vary unpredictably across fortnights will be able to estimate their hours of activity over a three-month period to support their workforce participation and continuity of care for their children. In these circumstances, parents will be able to estimate the most hours they expect to work in any one fortnight over a three-month period and this will be used to work out how many hours of subsidy they are entitled to every fortnight. There is provision for subsidy to be paid for 42 absence days per child. There are also provisions for additional absence days in defined circumstances (e.g. illness of the child or parent).

Further details about the Additional Child Care Subsidy

- **Additional Child Care Subsidy (Grandparent)**
  - Grandparents who are principal carers and not on income support will be supported through the Child Care Subsidy. These grandparents will be exempt from the Child Care Subsidy activity test, and entitled to 100 hours of subsidised child care per fortnight, with the rate of subsidy based on the family’s income. Grandparents who are not the principal carers of their grandchildren but care for them between 14% and 64% of the time will also be supported through the Child Care Subsidy. The number of hours of subsidised care they will be entitled to will be determined by a three-step activity test. Grandparents who do not meet the activity test and earn less than $66,958 will be able to access 24 hours of subsidised care per fortnight at the highest rate under the Child Care Safety Net.
Bibliography


Department of Education. (2014). *Community Support Programme Guidelines for Budget Based Funded Services* (Document Version V1.1, 2 June 2014)


