

AU: Number of grandparents claiming childcare benefits plummets after 'tougher test'^[1]

Fears vulnerable children may have dropped out of formal care arrangements or ended up in foster care

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EXCERPTS

The number of grandparents claiming childcare benefits has dropped dramatically since an overhaul of the system last year, raising concerns that vulnerable children may have dropped out of formal care arrangements or ended up in foster care.

Figures from the Parliamentary Library obtained by Labor's early childhood education spokeswoman, Amanda Rishworth, shows the number of grandparents receiving the new grandparent childcare subsidy was 3,300 in March 2019, compared with the 4,340 in March 2018 who received the previous grandparent childcare benefit.

The research suggests the drop of about 24% may be due to a tightening of eligibility requirements, but the reason for the decline was "unclear".

The number of children for whom the grandparent benefit is claimed has also dropped, from 7,570 in March 2018 to 4,760 in March this year – a 37% decline.

A spokesperson for the Department of Education said that because the payments were different and "operated under different policy settings" it was not possible to compare the figures, but it was unable to say how many grandparents were now accessing childcare benefits compared to the old system.

Rishworth said the figures were "deeply concerning", saying the payment was most often accessed by families of vulnerable children where the grandparent became the primary carer.

"It is concerning that the new changes that came into effect have seen such a drop in grandparents accessing these payments," Rishworth said. "The system is overly complex and I think that may have caught out a huge number of grandparents, but I think it is also a change in definition about how much care you are required to take which would have made whole lot of grandparents ineligible."

The new eligibility criteria requires the principal carer to provide at least 65% of ongoing daily care of the child compared with being the "major provider", which allowed for 85 hours of the 168 hours in a week.

Prior to the new childcare system coming into effect, the peak body in NSW, Community Early Learning Australia, said the new criteria may affect eligibility for grandparents, saying it was arguably a "tougher test".

Rishworth said her concern was what is happening to the children whose grandparents were not able to access the subsidy.

"It is highly likely that they have dropped out of the system," Rishworth said. "The chances are if they were accessing the payment and are no longer doing so, then they are unlikely to now be in formal care."

"These are really vulnerable children and we do want to do everything we can to prevent them from going into the foster care system and if we can do that by properly supporting grandparents then that is a good thing."

A spokesperson for the department said grandparent carers who were not eligible for grandparent subsidy may be eligible for assistance through the child care subsidy "dependent on their circumstance".

"In certain situations, grandparents may be entitled to other additional childcare subsidy (ACCS) payments, such as 'ACCS (child wellbeing)'," the spokesperson said.

"Additionally, grandparents who are not the principal carers of their grandchildren but provide between 14% and 64% of ongoing daily care may be entitled to childcare subsidy for any childcare they may use, provided they meet the relevant eligibility criteria."

The release of the figures come as a new report from KPMG on Wednesday found the government's new system created a "workforce disincentive rate" which left some families financially worse off if they increased their hours.

KPMG said changes to the system that removed the disincentive could help parents back to work and boost GDP by close to \$700m, with its proposal costing less than half this.

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