



**Australian Government**

**Department of Education and Training**

# The new child care package



Starts 2 July 2018

Find out more:

[education.gov.au/childcare](http://education.gov.au/childcare)

# What's changing?



From 2 July 2018, there will be a new child care package. The package includes a new Child Care Subsidy, which replaces the current child care benefit and rebate. It will be paid directly to services, and will make child care more affordable for most families.

## CURRENT

Child Care Benefit

Child Care Rebate



## NEW

Child Care Subsidy



# Annual subsidy cap



Combined annual  
family income

Annual subsidy  
cap per child

< \$185,710<sup>^</sup>

No cap

> \$185,710<sup>^</sup> – \$350,000<sup>^</sup>

Increase to  
**\$10,000<sup>^</sup>**

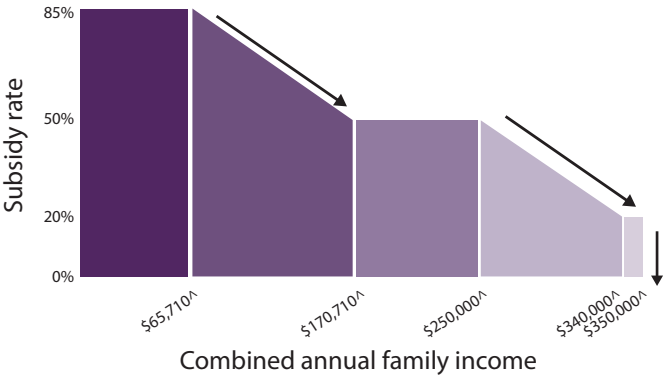
# How does it work?

Three things will determine a family's level of Child Care Subsidy:



## 1. Combined family income

A family's income will determine the percentage of subsidy they are eligible for.



## 2. Activity level of parents

The number of hours of subsidised care families can access, will be determined by an activity test. The higher the level of activity, the more hours of subsidised care families can access, up to a maximum of 100 hours per fortnight.

The parent with the lowest hours of activity per fortnight will determine the hours of subsidised care. The hours of subsidy are per child.

Hours of activity*	Hours of subsidy* (Maximum)
<b>For families earning up to \$65,710<sup>^</sup></b>	
<b>&lt; 8</b>	<b>24</b> Hours
<b>For families earning under \$350,000<sup>^</sup></b>	
<b>8-16</b> Hours	<b>36</b> Hours
<b>&gt; 16-48</b> Hours	<b>72</b> Hours
<b>&gt; 48</b> Hours	<b>100</b> Hours

\* per fortnight

Low income families on \$65,710<sup>^</sup> or less a year, who do not meet the activity test will be able to access 24 hours of subsidised care per fortnight, as part of the Child Care Safety Net.

### Recognised activities

- paid work – including leave
- study and training
- unpaid work in family business
- looking for work
- volunteering
- self-employment
- other activities on a case-by-case basis



There will be exemptions for parents who legitimately cannot meet the activity test requirements.

## 3. Type of child care service

The new subsidy is also based on the type of child care your family uses. It will be calculated by the hour using an hourly rate cap:

- Centre-based care – \$11.55<sup>^</sup> per hour
- Family day care – \$10.70<sup>^</sup> per hour
- Outside school hours care – \$10.10<sup>^</sup> per hour.

## Example – accessing centre-based care

Family 1 is charged \$100 per session for a 10 hour day – that is, \$10 per hour. As this is less than the maximum hourly rate cap of \$11.55<sup>^</sup>, their percentage of subsidy will be based on what they pay – \$10. If their combined family income is \$65,000 they will be entitled to a subsidy of \$8.50 per hour (85% of \$10).

Family 2 is charged \$130 per session for a 10 hour day – that is, \$13 per hour. Because this is more than the maximum, their level of subsidy will be based on the cap of \$11.55<sup>^</sup>. If their combined family income is \$65,000 they will be entitled to a subsidy of \$9.82 per hour (85% of \$11.55).

Use the Family Child Care Subsidy Estimator to find out how much Government subsidy you might be eligible for. Visit: [education.gov.au/childcare](http://education.gov.au/childcare)



<sup>^</sup> These provisions of the package will be increased by CPI for implementation in July 2018.

## Child Care Safety Net

The package includes a \$1.2 billion safety net to give the most vulnerable and disadvantaged children, including those from regional and remote communities, a strong start through access to quality early learning and child care.

## Additional Child Care Subsidy

Included in the Child Care Safety Net is an Additional Child Care Subsidy. It will, in most cases, cover all of a child's fees. It is designed to support:

- families who require practical help to support their children's safety and wellbeing
- grandparents who are primary carers
- families experiencing temporary financial hardship
- families transitioning from income support to work.

The Additional Child Care Subsidy replaces a number of existing payments including the Special Child Care Benefit, and the Jobs, Education and Training Child Care Fee Assistance.



## What do I need to do?

The current arrangements do not change until **2 July 2018**. To find out more, and to estimate what your new subsidy might be, visit:

**[education.gov.au/childcare](http://education.gov.au/childcare)**

The estimator is easy to use and only takes a few minutes to complete. More information about what you need to do will be available in early 2018.