



Australian Government

CHILD
CARE
PACKAGE

The New Child Care Package

MORE SUPPORT FOR MORE FAMILIES



Find out more:
education.gov.au/childcare
Starts 2 July 2018



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 Child Care Rebate. It will be paid directly to services.

CURRENT

Child Care Benefit

Child Care Rebate



NEW

Child Care Subsidy

Annual subsidy cap

Families earning less than \$185,710[^] will have no cap on the amount of child care they can receive. Families earning over \$185,710[^] and under \$350,000[^] will benefit from an increase in the current cap of \$7,613 to \$10,000 per child, per year.

Combined annual family income

<\$185,710[^]

\$185,710[^] - \$350,000[^]

Annual subsidy cap per child

No cap

Increase to \$10,000[^]

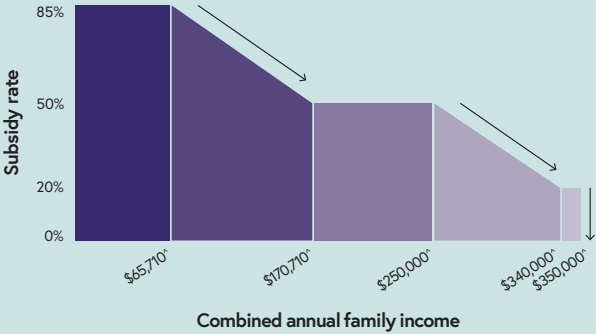
[^]These amounts may be subject to adjustment through indexation.

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**.

RECOGNISED ACTIVITIES

- paid work – including leave, such as maternity 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 individuals who cannot meet the activity test requirements.

HOURS OF ACTIVITY

The parent or guardian 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)
For families earning up to \$65,710 [^]	
<8 hours	24 hours
For families earning up to \$350,000 [^]	
8–16 hours	36 hours
>16–48 hours	72 hours
>48 hours	100 hours

*per fortnight

For families who do not meet the activity test, there will be an exemption to ensure their preschool aged child can attend a preschool program in a centre-based care service. The exemption will be for the period of the preschool program.

3. Type of child care service

It will be calculated by the hour using these hourly rate caps:

- Centre-based care – \$11.55[^] per hour
- Family day care – \$10.70[^] per hour
- Outside school hours care – \$10.10[^] per hour.

Example:

Accessing centre-based care

Family 1 is charged \$100 per session for a 10 hour session – that is, \$10 per hour. As this is less than the maximum hourly rate cap of \$11.55[^], 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 session – 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[^]. 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



[^]These amounts may be subject to adjustment through indexation.

Child Care Safety Net

The package includes a \$1.2 billion Safety Net to give the most vulnerable and disadvantaged children, and this includes 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**. More information about what you need to do will be available in early 2018.

Find out more

To find out more, and to estimate what your new subsidy might be, visit education.gov.au/childcare

The estimator is easy to use and only takes a few minutes to complete.



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