

Child Care Package

The Australian Government's Child Care Package provides more support for more families and is targeted at those who need it most. Now fully implemented, it represents the most significant change to the early learning and child care system in 40 years.

Child Care Subsidy

The centrepiece of the Package is the Child Care Subsidy (CCS), which commenced on 2 July 2018 and is a single, means-tested subsidy.

There are **three things** that determine a family's level of subsidy.

1. Combined family income

Families earning \$68,163[^] or less will receive a subsidy of 85 per cent of the actual fee charged (up to 85 per cent of an hourly fee cap). For family incomes above \$68,163[^], the subsidy gradually decreases to 20 per cent when family income reaches \$342,453[^]. For families with incomes \$352,453[^] or more, the subsidy is zero per cent.

Combined family income	Subsidy per cent of the actual fee charged (up to relevant percentage of the hourly rate cap)
Up to \$68,163 [^]	85 per cent
More than \$68,163 [^] to below \$173,163 [^]	Decreasing to 50 per cent*
\$173,163 [^] to below \$252,453 [^]	50 per cent
\$252,453 [^] to below \$342,453 [^]	Decreasing to 20 per cent*
\$342,453 [^] to below \$352,453 [^]	20 per cent
\$352,453 [^] or more	0 per cent

*Subsidy gradually decreases by 1 per cent for each \$3000 of family income.

[^] Note: These amounts are correct for 2019-20 and will be subject to adjustment through indexation in subsequent years.

2. Activity test

Family entitlement to the Child Care Subsidy is determined by a three-step activity test, aligning the hours of subsidised care with the combined hours of work, training, study or other recognised activity undertaken, and providing for up to 100 hours of subsidy per fortnight.

Step	Hours of activity (per fortnight)	Maximum number of hours of subsidy (per fortnight)
1	8 hours to 16 hours	36 hours
2	More than 16 hours to 48 hours	72 hours
3	More than 48 hours	100 hours

A broad range of activities meet the activity test requirements including: paid work; being self-employed; doing unpaid work in a family business; looking for work; volunteering; studying; and travel time from the child care service to their place of activity and back. There are exemptions to the activity test for parents who legitimately cannot meet the activity requirements.

Low income families on \$68,163[^] or less a year who do not meet the activity test are able to access 24 hours of subsidised care per fortnight without having to meet the activity test, as part of the Child Care Safety Net.

Families who used the former Budget Based Funded services are eligible for child care fee assistance.

Preschool exemption

Families who do not meet and are not otherwise exempt from the Child Care Subsidy activity test are entitled to 36 hours of subsidised care per fortnight to support their preschool-aged child to attend a preschool program at a centre based day care service.

3. The type of early learning and child care service

The hourly rate caps are:

Service type	Maximum hourly rate cap
Centre Based Day Care	\$11.98 [^]
Outside School Hours Care	\$10.48 [^]
Family Day Care	\$11.10 [^]
In Home Care	\$32.58 [^] (per family)

Families earning over \$188,163[^] and under \$352,453[^] have an annual cap on their subsidy of \$10,373[^] per child, per year.

Child Care Safety Net

The Package includes a Safety Net to give the most vulnerable and disadvantaged children, as well as those from regional and remote communities, a strong start through access to quality early learning and child care. It has three components:

- **Additional Child Care Subsidy**
- **Community Child Care Fund**
- **Inclusion Support Program**

Additional Child Care Subsidy

The Additional Child Care Subsidy is a top up payment in addition to the Child Care Subsidy.

Extra support for	Additional subsidy
<ul style="list-style-type: none"> • Children at risk of serious abuse or neglect • grandparent principal carers on income support • families experiencing temporary financial hardship 	A subsidy equal to 100 per cent of the actual fee charged (up to 120 per cent of the hourly rate cap), up to 100 hours of assistance per fortnight

Extra support for	Additional subsidy
<ul style="list-style-type: none"> • Parents transitioning to work from income support 	A subsidy equal to 95 per cent of the actual fee charged (up to 95 per cent of the hourly rate cap), hours of assistance determined by the activity test

Community Child Care Fund (CCCF)

The CCCF commenced on 2 July 2018 and is a grants program for eligible child care services that aims to increase child care participation, particularly in vulnerable and disadvantaged communities.

There are four grant opportunities under the CCCF:

- an open competitive grant opportunity
- a restricted non-competitive grant opportunity
- a special circumstances grant opportunity,
- the Connected Beginnings Program.

CCCF grant opportunities, including eligibility criteria, will be advertised on GrantConnect at grants.gov.au during application periods.

Connected Beginnings

As part of the CCCF, the Connected Beginnings program commenced on 1 July 2016. The program provides funding for the integration of child care, maternal and child health, and family support services in a number of Indigenous communities experiencing disadvantage, as recommended by Andrew Forrest in his review of Indigenous jobs and training – *Creating Parity*.

Inclusion Support Program

The Inclusion Support Program commenced on 1 July 2016 and assists mainstream services to improve their capacity and capability to provide inclusive practices and address barriers to participation for children with additional needs, particularly children with a disability.

More information on the Child Care Package and other programs is available at: dese.gov.au/child-care-providers

Child Care Finder

The Child Care Finder is a simple way for families to find a service that suits their needs. It tells them about services near them, their vacancies, fees, opening hours and ratings against the National Quality Framework.

More information is available at: childcarefinder.gov.au