

The New Child Care Package



Family Day Care and the New Child Care Package – what your family needs to know

In July, the Australian Government will introduce the New Child Care Package. A new system will roll the Child Care Benefit (CCB) and Child Care Rebate (CCR) into one new means tested payment, called the Child Care Subsidy (CCS). The subsidy will be paid directly to our Family Day Care service to reduce the out-of-pocket costs of early education and care, unlike the current subsidies which parents can opt to receive as a lump sum.

The new Package comes with new requirements for families. This brochure will provide you with a run down on what is changing and the key things you have to do to continue to receive subsidies.



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Questions you may have

What is changing?

The subsidies that families receive to reduce the cost of Family Day Care are changing. Child Care Benefit and Child Care Rebate are being rolled into the one payment, the Child Care Subsidy. The rules as to who is eligible for the new subsidy and how it is calculated are also changing.

How much is the new subsidy?

The new subsidy for Family Day Care has an hourly rate cap of \$10.70 (to be increased by CPI in July and then annually). You are eligible for a subsidy percentage based on your income. The percentages are:

Combined Family Income	Subsidy Rate
Up to \$65,710	85%
Over \$65,710 to under \$170,710	Gradually reducing to 50%
\$170,710 to under \$250,000	50%
\$250,000 to under \$340,000	Gradually reducing to 20%
\$340,000 to under \$350,000	20%
\$350,000 or more	Nil

Some families will receive a higher subsidy than under CCB/CCR, others will receive a lower one.

What is the Activity Test?

The Activity Test determines how much subsidised care a family can receive.

This test is applied to each parent in a couple relationship or a sole parent. Families earning less than \$65,710 per year who do not meet the activity test will only be able to access 24 hours of subsidised care per fortnight. Activities include paid work, self-employment, training, study, volunteering, paid parental leave, job seeking. Calculations are based on the parent with the lower hours of activity. The eligible hours are:

Step	Hours of activity per fortnight	Maximum number of hours of subsidy per child 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

All sound too complex?

The Government has put an estimator online which you can go to estimate your subsidy. The difference between your subsidy and the full hourly rate we charge you is your new gap fee. You can do this at:

www.education.gov.au/ChildCarePackage

Please remember this is just an estimate. We will let you know your new fees as soon as we can.

How come the subsidy goes to the Family Day Care service?

In the new system all subsidies go directly to services so that your fees can be reduced before they are billed. This way you just have to pay a gap fee. The Government designed the new system like this.

How about my SCCB, GCCB, or JETCCFA?

Is your family getting Special Child Care Benefit, Grandparent Child Care Benefit or Jobs, Education and Training Child Care fee assistance? These are also changing. The replacement subsidy is called ACCS – Additional Child Care Subsidy. ACCS has different rules than the current subsidies. To work out if you will still be eligible go to: www.humanservices.gov.au/individuals/services/centrelink/additional-child-care-subsidy



The 4 things you have to do

There are four things you have to do to ensure you continue to get subsidised Family Day Care:

1 Sign up for a myGov account

If you don't already have a myGov account, you need one. You can sign up for one at www.my.gov.au. This is the place where you will interact with the Government about the new subsidy.

2 Answer the letter inquiring about your activity

Respond to the letter or email the Government will send you in April about your 'activity'. How many hours of activity you do (e.g. work or study) determines how much subsidised care you can receive. (Of course, families can use more care than they are subsidised for if you want to pay full fees for those hours.)

3 Sign a contract with your service

All families have to sign a contract – called a Complying Written Agreement – with their Family Day Care service. It just outlines fees, how often your child/ren are being cared for, etc. You will be asked by your educator to sign this in April or May.

4 Go to your myGov account and accept the enrolment notice

Accept the Enrolment Notice that will show in your myGov account a few weeks after you have signed the contract. This needs to be done before 2 July 2018, when the new system starts. **This is very important.** If you do not login and accept this, you will not receive any subsidies when the new system starts.

Where can I find out more?

Families can find out more at: www.education.gov.au/ChildCarePackage or www.humanservices.gov.au/individuals/services/centrelink/child-care-subsidy



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