

# The New Child Care Package



## The Activity Test and Additional Child Care Subsidies: Things your Family Day Care should know

**Why should your service understand the ‘ins and outs’ of the Activity Test? Essentially, because the Activity Test is the main part of the new Child Care package that determines how many hours of subsidised education and care your families can access.**

If you want your families to be able to access the same number of hours they currently do, without having to drop days because they can't afford them, it is in your service's interest to learn as much as you can about the Activity Test, so you can help your families declare all of the hours they are engaging in activity.

In basic terms, the more hours of activity they engage in, the more hours of subsidised care they can access. It is not your service's responsibility to help families “pass” the test, but it may be in your service's interests. It

may also be part of your service's role to help families understand complex and changing access to education and care – especially because families that may struggle with understanding the requirements, may well be the ones that most need the education and care your service provides.

Likewise, it is not your role to help families access the Additional Child Care Subsidy. But as this role has only just been transferred from services to families, your service may feel the need to help families in need to access any additional subsidies they are entitled to.

This brochure is designed to give services the information they need about the Activity Test and the Additional Child Care Subsidy to assist families.



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### How does the Activity Test Work?

The hours of subsidised care a family can receive each fortnight depends on the hours of recognised activities they engage in.

If they do the following hours of recognised activities, this is how much subsidised care they will receive per fortnight:

- ◆ 8 hours to 16 hours of activity = 36 hours of subsidised care
- ◆ More than 16 hours to 48 hours of activity = 72 hours of subsidised care
- ◆ More than 48 hours of activity = 100 hours of subsidised care

Families earning less than \$67,000 per year and who don't meet the activity test, will only receive access to 24 hours of subsidised care per fortnight.

### When is the activity of families assessed?

Families have received letters from Centrelink advising them to go online to apply for the new Child Care Subsidy. The answers they provide on the Centrelink website about their activities at this time is used to determine the amount of subsidised hours they are entitled to. **A family can update this information at any time.**

If your families have already completed the application (57% of families had completed their application by the end of May) and have underestimated their hours, ask them to call Centrelink to update the figures. Those that haven't, need to do it **before 2 July 2018**. Your service can check which of your families have already applied through your CCSS software.

Evidence of activity is not required at the time the application is entered. It is a self-declaration process.

### Who has to meet the test?

In a two-parent family, both parents must meet the test. This means that the parent with the lowest hours of activity determines how many subsidised hours the family is entitled to. In a one-parent family, the sole parent must meet the test.

### Which activity counts?

- ◆ Paid work, including being self-employed
- ◆ Paid or unpaid leave, including paid or unpaid parental leave (unpaid leave is limited to six months, unless it is unpaid parental leave, in which case, it is unlimited)
- ◆ Enrolling in an approved course of education or study (36 hours per fortnight, if only activity)



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- ◆ Attending training to improve work skills or employment prospects
- ◆ Unpaid work in a family business
- ◆ Actively looking for work (16 hours per fortnight, if only activity)
- ◆ Volunteering (16 hours per fortnight, if only activity). Volunteer activity has to either be likely to help the person get work, be for a charity, a community organisation, or a school, preschool or centre-based children's service
- ◆ Unpaid work experience or unpaid internship
- ◆ Actively setting up a business (for 6 months out of every 12 months)
- ◆ Other activities on a case-by-case basis
- ◆ Receiving Newstart or Youth Allowance (Jobseekers), Special Benefit or Parenting Payment (36 hours per fortnight, if only activity)
- ◆ Receiving Carer Allowance (72 hours per fortnight)

### Who is exempt?

Some people who will receive the Child Care Subsidy are exempt from the Activity Test. These people are entitled to 100 hours per fortnight of subsidised care.

These are:

- ◆ Any disabled person who is unable to engage in activity or unable to care for their child
- ◆ Anyone who is temporarily outside of Australia (for up to six weeks)
- ◆ Anyone who is in gaol or undergoing psychiatric confinement
- ◆ Anyone who is receiving Carer Payment
- ◆ Anyone who is caring for someone with a severe disability who doesn't receive carer payment because of income or asset trusts

- ◆ Grandparent carers – carers who receive ACCS (Grandparent) payments, or carers who don't receive income support at all

### Activities can be combined

- ◆ If a family engages in more than one recognised activity, they can combine the hours they spend doing each activity. This may increase the hours of subsidised care they can receive.
- ◆ Reasonable travel time can be included for travelling from the educator's house to where a family member is working or studying.
- ◆ If a family member works casually or their hours change regularly, they can estimate how much their activity over a three-month period. Centrelink has advised that families should estimate the highest number of hours they expect to work in a fortnight over the next three months.

### Do you need to offer families shorter sessions of care?

Some services are questioning whether educators should offer shorter sessions of care to match the hours of subsidised care that families are eligible for. If families can match their activity to the minimum hours of care they require, this may not be necessary. If a service has many low-income families that cannot meet the activity test and are, therefore, only eligible for 24 hours of subsidised care each fortnight, then particular educators may wish to offer 6-hour sessions to enable children to attend for two days per week. It is quite possible that some centre-based services will implement this, so some Family Day Care services may need to do this to compete.



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### ACCS

Do you have families in receipt of Special Child Care Benefit? Do you need to help them ensure they will receive Additional Child Care Subsidy **by 2 July 2018**?

Families that may be eligible for ACCS (temporary financial hardship) need to apply **on 2 July 2018**. They need proof that the event that caused them temporary financial hardship occurred within the past six months.

Families that may be eligible for ACCS (transition to work) can apply **from 4 June 2018**. They will need proof of employment or job search, or course enrolment.

Families that may be eligible for ACCS (grandparent) can already apply.

Do you have children in receipt of Special CCB because they are a child at risk? Your service can grant the family a certificate for the first six weeks of care in the new system by applying through the Child Care Subsidy System (CCSS) **on 2 July 2018**.



NSW FAMILY DAY CARE  
ASSOCIATION INC.

NSW Family Day Care Association  
Level 1, 1 Sloane Street, Summer Hill NSW 2130  
Ph: (02) 9779 9999 Fax: (02) 9779 9998  
[www.nswfdc.org.au](http://www.nswfdc.org.au)

## Find out more

### Read Centrelink's website

Centrelink produce all of their materials in plain English. Read about what is and what isn't a recognised activity at:  
[tinyurl.com/activitytest1](http://tinyurl.com/activitytest1)

Read all about eligibility for ACCS at:  
[tinyurl.com/accs101](http://tinyurl.com/accs101)

### Check out the Minister's Rules

This is where the nitty gritty of the Activity Test is in the law. It is also where the detail about ACCS is.

Read these at:  
[www.legislation.gov.au/Details/F2017L01464](http://www.legislation.gov.au/Details/F2017L01464)