

THE NEW CHILD CARE PACKAGE

The Child Care Subsidy (CCS)

On the 2nd of July 2018 the Australian Government is changing the child care package. CCS aims to simplify the current multi-payment system and hold service providers and parents more accountable.

The CCS will:

- replace the Child Care Benefit (CCB) and the Child Care Rebate (CCR) with a single means tested subsidy.
- be paid directly to service providers to be passed onto families.
- be better targeted and provide more assistance to low and middle income families.

CHILD CARE BENEFIT (CCB)

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CHILD CARE REBATE (CCR)

CHILD CARE SUBSIDY (CCS)

Major Changes

- Service providers require a Complying Written Agreement (CWA) and parents will be required to confirm enrolments via MyGov
- Parents will be required to complete an income test, an activity test and confirm schooling in order to be eligible for subsidy
- There is will be no cap for families earning less than \$186,958
- There is a cap increase from \$7,613/pa to \$10,190/pa for families earning between \$186,958 and \$351,248
- Subsidy applies to fortnightly cycles

The New Child Care Enrolment Process

All Timber Tots families have a Complying Written Arrangement (CWA) drafted which requires a signature to confirm enrolment at the Centre as our prior agreements do not meet the new legislation. Families and service providers are now able to hold each other accountable for ensuring rolls and information is current.

Hourly Rate Cap

Determines the maximum subsidy available for each hour of care. The income test determines the % applied individually and the Activity Test determines how many hours it is applied to each fortnight.

Service Type	Maximum Hourly Rate Cap
Centre Based Day Care	\$11.77 [^]
Family Day Care	\$10.90 [^]
Outside School Hours Care	\$10.29 [^]
In Home Care	\$25.48 [^] (per family)

The number of hours that the fees/subsidy will be applied to each week will be based on the hours the service is open (Session Fee) – Not the hours that a child is in care. That is 11 hours/day.

Income Test

Your combined family income stipulates the maximum percentage of subsidy (hourly rate cap) available. The percentage of subsidy received gradually decreases by 1% for every \$3,000 of family income. The Government will retain a 5% holding from all payments recoverable EOFY.

Combined family income	Subsidy rate
Up to \$66,958	85%
Over \$66,958 to under \$171,958	Gradually reducing to 50%
\$171,958 to under \$251,248	50%
\$251,248 to under \$341,248	Gradually reducing to 20%
\$341,248 to under \$351,248	20%
\$351,248 or more	0%

Activity Test

The number of hours available to claim the subsidy is determined by the number of hours of activity of the guardian with the lower level of activity

Hours of Activity (per fortnight)	Hours of Subsidy (per fortnight)
FOR FAMILIES EARNING LESS THAN \$65,710	
Less than 8 hours	24 hours of care
FOR FAMILIES EARNING UP TO \$351,248	
8-16 hours	36 hours
16-48 hours	72 hours
+48 hours	100 hours