



5.5 Child Care Subsidy Policy

Policy number: 5.5
Date last reviewed: April 2023
Reviewed by: Child Care Team

This policy relates to	
Child Care Provider Handbook	
National Quality Standards Early Childhood Education & Care	7.1 Governance

Purpose

As part of Family Assistance Law the service will administer the payment of subsidies in strict accordance with requirements.

Background

Service policies follow the guidelines in the Child Care Management System (CCS) Provider Handbook (refer <https://www.education.gov.au/child-care-provider-handbook>)

Policy

Three main factors will determine a family's level of child care subsidy, These are:

- Family Income- the combined adjusted taxable income of parents/guardians
- Activity Test- the participation activity level of the parent/guardians
- Hourly rate caps- that apply to the type of child care service and age of the child.

Information for families:

Centrelink Payment and Service Finder - to estimate what the Child Care Subsidy might be and assess eligibility for other support payments.

Mychild.gov.au- for information about children's services, including early learning and child care services, costs and vacancies.

My.gov.au –to create and then access a Centrelink online account, to make Child Care Subsidy claims and view the status of claims.

In order to receive subsidies from the government, the family must record both the child and parent Customer Reference Number on the enrolment and contact Centrelink in order to access any child care subsidies.

Subsidies paid by the Commonwealth Government are to assist with the cost of Child Care. Centrelink assesses the eligibility of families for assistance and administers the funding to services for families claiming a fee reduction.

For separated parents, the service may request information from both parents stating which parent is responsible for payment of fees, and therefore linked to the subsidies. The child must be enrolled under the parent responsible for fees as the primary parent.

Child Care Subsidies (CCS)

To eligible for Child Care Subsidies the claimant (for example, parent, relationship parent or guardian) must:

- Meet (or their partner meets) Australian residency requirements; **and**
- Have a Family Tax Benefit (FTB) child (including a relationship child) or regular care child (or a child deemed to be a regular care child) attending an Australian Government approved child care service; **and**
- Be liable (or their partner must be liable) to pay for this child care; **and**
- Have the child care provided in Australia, **and**
- Ensure the child complies with immunisation requirements.

Foster families who meet the eligibility criteria are also able to claim Government Subsidies.

Child Care subsidies will not be paid when the educator is not available to provide care except for public holidays (Refer Policy 5.1 Absences from Care). If an educator is unavailable for care due to sickness in themselves or a member of their household or due to the educator having holidays, parents would not pay any fee and there would not be any absences recorded. However, if an educator is available to provide care and a parent indicates that they will not require care, then fees will apply (Refer 5.1 Absences from Care).

Parents eligibility for hours and subsidies is determined by assessment for percentage and a 2-step activity test through the parents mygov account or through Centrelink. 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.

The parent must successfully accept their enrolment with the service through their mygov account prior to care starting to ensure that subsidy will apply once attendance records are submitted.

The hours of care eligible for Child Care Subsidy include all forms of child care. Parents are able to advise the number of hours of Child Care Subsidy they wish to claim for each form of Child Care used.



What is the total fee?

The 'total fee' may be different from the 'fee for all charged hours' as reported on the online weekly Attendance Record Report.

The total fee is the amount the family is liable to pay and for which your service has invoiced the family for providing standard services. The total fee includes any CCS amounts and may also include meals, nappy services, etc. if these are provided as part of your standard service.

Family Statements

In accordance with Family Assistance Law families will be sent a statement weekly which will outline the claimed hours, subsidy and parent payment required. Families must abide by this statement. Where there are changes to the family subsidy parents should contact Centrelink.

The family subsidy can change when there are changes to income or the activity test and if a child's immunisation is not up to date.

Queries on Child Care Subsidy

If a family is concerned about the amount of a fee reduction calculated, they can confirm with the educator that the details provided on the attendance report were correct. If so, the family should be advised to contact the FAO regarding their CCS eligibility details. Parents are entitled to contact the FAO and seek a review of a decision made by the FAO. Families will receive a statement from the service weekly for the previous week of care showing hours claimed, fees and subsidy. Child Care subsidy will not be paid or claimed if the last day of care is an absence, Child care subsidy will only apply until the last actual day of care attended.

Where there has been a change to the parents information CCS may make adjustments, parents will see this on their weekly statements and will need to seek clarification from Centrelink. In some situations the adjustment will come back to the service and other times will be paid directly to the parent and show in their mygov account.

Additional Child Care Subsidy

Additional Child Care Subsidy is designed to assist eligible families with the cost of child care. Additional Child Care Subsidy in some situations may cover up to the full cost of care and is available to assist:

- Children at risk of serious abuse or neglect; or
- Families experiencing hardship – exceptional cases where a family's income does not truly reflect their capacity to pay the normally charged fee.

Services are able to apply ACCS to families for up to 6 initial weeks with support documentation for children at risk.

Families seeking ACCS for Hardship must apply through Centrelink and provide appropriate evidence.

ACCS cannot be applied :

- To cover periods when a family is not eligible for CCS because they have failed to lodge an application form;
- When a family has used all of their initial 42 absence days and CCS is not payable for additional absence reasons;
- To cover periods when a family has ceased care without giving the agreed period of notice;
- To cover bad debts resulting from non-payment of child care fees by families;
- To give additional assistance to a parent whose ongoing income is very low; or
- To compensate for unsupervised care by a parent or carer.

Child Care Subsidies are not applicable

No child care subsidies for Family Day Care provided to children who have started secondary school (in some cases 12 yrs) or children 14 or over, or adults.

Exemptions

The following specified circumstances where a family can receive child care subsidies for their older child attending Family Day Care. Each exemption requires documentary evidence and a statutory declaration from the parent to be provided.

- the child has a **diagnosed disability** (or is being diagnosed)- support document required outlining the diagnosed disability.
- lives in a remote or very remote area or
- is under 16 and the parent (s) guardian(s) have to work a minimum of five hours on the care day, other than for a family day care service. Support document required from employer stating hours worked for care days with recent date.

Child Swapping

Child care subsidies cannot be claimed for “child swapping” in Family Day Care (where a Family Day Care educator books their child into another Family Day Care service on the same days that the educator works as a Family Day Care Educator). Exemptions only allow for this to occur if there is evidence of study timetable such as attending a lecture or undertaking an exam at a training facility (not study at home).

No care will be submitted unless prior approval by the manager with support documentation in place.



Relevant Legislation

Family Assistance Law
Education and Care Services National Law Act 2010
Education and Care Services National Regulations 2011
CCS Child Care Provider Handbook

Key Resources

Australian Government Department of Education and Training: *Child Care Provider Handbook*
<https://www.education.gov.au/child-care-provider-handbook>

Related Policies

[Appendix F QIP and Compliance](#)