

What is the Child Care Subsidy?

The Australian Government is committed to ensuring that Australian families are able to access affordable, flexible and high-quality child care. The Government provides a number of subsidies and programs to help with the cost of child care, with the Child Care Subsidy being the main type of assistance that most families will use.

Who can get CCS?

Families must meet eligibility criteria to get CCS.

Parents must:

- Care for their child at least 2 nights per fortnight or have 14% share of care
- Be liable for child care fees at an approved child care service
- Meet residency requirements

The child must:

- Meet immunisation requirements
- Not be attending secondary school (unless an exemption applies)
- Be 13 or under (except in certain circumstances)

If a child doesn't attend a session of care at least once in 26 consecutive weeks, they will stop being eligible for CCS. If a child starts to attend care again, a family can make a new claim for CCS.

Families can learn more about eligibility for CCS on the [Services Australia website](#).

There are exemptions for individuals who genuinely cannot meet some eligibility requirements.

How much CCS can a family receive?

The amount of CCS a family can get depends on their circumstances.

Family income

Services Australia works out a family's CCS percentage based on their [family income estimate](#).

A family's CCS percentage is the amount the government will subsidise. It will apply to the hourly fee or the relevant hourly rate cap, whichever is lower.

CCS rates

| Family income | Subsidy rate |
|---------------------------------------|--|
| Up to \$80,000 | 90% |
| More than \$80,000 to below \$530,000 | Decreasing from 90% The percentage decreases by 1% for every \$5,000 of income a family earns |
| \$530,000 or more | 0% |

Families can learn more about how their income affects CCS on the [Services Australia website](#).

Number of children in care

Families with more than one child aged 5 or under in care may get a higher subsidy for their second child and younger children.

The rates for each child are worked out using two separate income tests.

The 'standard rate child' is usually the eldest CCS eligible child aged 5 or under. The standard rate child will get the standard CCS rates.

The 'higher rate child' is the second and any younger children aged 5 or under. The higher rate for second and younger children is calculated using the rates for second and younger children.

The higher subsidy for second and younger children ends when a family earns \$362,408 or more.

Rates for second and younger children

| Family income | Second and younger children subsidy rate |
|--|--|
| \$0 to \$138,118 | 95% |
| More than \$138,118 to below \$183,118 | Decreasing from 95% The percentage decreases by 1% for every \$3,000 of income a family earns |
| \$183,118 to below \$262,408 | 80% |
| \$262,408 to below \$352,408 | Decreasing from 80% The percentage decreases by 1% for every \$3,000 of income a family earns |
| \$352,408 to below \$362,408 | 50% |
| \$362,408 or more | Higher CCS rates no longer apply, all children in the family will receive the standard CCS rate |

Children who are entitled to both the higher subsidy and Additional Child Care Subsidy (ACCS) will be paid the ACCS rate.

Families can learn more about how the number of children in care affects CCS on the Services Australia website.

Activity level

The hours of subsidised care a family can get each fortnight depends on their activity level. The higher the level of activity, the more hours of subsidised care families can get.

Services Australia looks at both parents' activity level. They use the parent with the lower activity level to determine a family's hours of subsidised care.

Families need to do a recognised activity to get CCS. Exemptions apply for parents who cannot meet activity test requirements.

Aboriginal and/or Torres Strait Islander children

Families can get at least 36 hours of subsidised care per fortnight for each Aboriginal and/or Torres Strait Islander child in their care. This is regardless of their family's activity level.

Families should tell Services Australia that they have an Aboriginal and/or Torres Strait Islander child in their care if they would like to get at least 36 hours of subsidised care.

Families can call Services Australia on the Centrelink families line to let them know a child in their care is an Aboriginal and/or Torres Strait Islander person. It is voluntary to tell Services Australia this.

Families may get more than 36 hours of CCS per fortnight based on their circumstances and the amount of recognised activity they do. Families do not need to do anything if they already get more than 36 hours of subsidy based on their circumstances.

Families must still pay the gap fee.

Learn more about the activity test for Aboriginal and/or Torres Strait Islander children.

Activity levels

Hours of activity each fortnight

Hours of subsidised care, per child, each fortnight

| | |
|--------------------------------|--|
| Less than 8 hours | 0 hours if you earn above \$80,000 (2023-24) 24 hours if you earn \$80,000 or below 36 hours – Aboriginal and/or Torres Strait Islander child, regardless of family activity |
| 8 hours to 16 hours | 36 hours |
| More than 16 hours to 48 hours | 72 hours |
| More than 48 hours | 100 hours |

Families can learn more about how their activity level affects CCS on the [Services Australia website](#).

Care type

The amount of CCS a family can get depends on the type of care they use.

A family's CCS percentage will apply to the lowest of either:

- the hourly rate cap
- the hourly fee you charge at your service.

The Australian Government does not set early childhood education and care fees or require services to charge on an hourly basis. The hourly rate caps are a guide for providers and families about what a 'high fee' might be.

2023–24 hourly rate caps

| Care type | Hourly cap rate for children below school age | Hourly cap rate for school-age children |
|---------------------------|---|---|
| Centre Based Day Care | \$13.73 | \$12.02 |
| Outside School Hours Care | \$13.73 | \$12.02 |

Families can learn more about how the type of care they use affects CCS on the [Services Australia website](#).

How will the Child Care Subsidy be paid?

Child Care Subsidy will be paid directly to child care providers to pass on to families as a fee reduction so that their fees are reduced at the time they use child care. Families will pay their provider the difference between their subsidy and the fees charged. Families will not be able to elect to receive their subsidy as a lump sum at the end of the financial year. Families will need to make a claim for Child Care Subsidy when (or before) each child starts attending care.

Any Child Care Subsidy owed to families following the end of year reconciliation process will be paid directly to families as a lump sum. If a family has been overpaid Child Care Subsidy during the year the family may have to repay some Child Care Subsidy (a debt).

What is the Child Care Subsidy withholding?

Child Care Subsidy withholding is designed to help families avoid or minimise debts at reconciliation, which could occur due to changes in circumstances throughout the year (for example, changes to family incomes or activities).

Parents can request their percentage of withholding be adjusted up or down through Centrelink. However, withholding is important as it helps protect families from possible debts. After reconciliation any outstanding subsidy is returned to the family.

Five per cent of all families' Child Care Subsidy will be withheld by the Government, however, withholding will not apply to Additional Child Care Subsidy payments.

What is the Additional Child Care Subsidy?

The Additional Child Care Subsidy is a top up payment in addition to the Child Care Subsidy which will provide targeted additional fee assistance to families and children who need extra support.

The Additional Child Care Subsidy has four elements:

- child wellbeing
- grandparents
- temporary financial hardship
- transition to work

Families can learn more about the Additional Child Care Subsidy on the [Services Australia website](#)

Absences

Families can get up to 42 allowable absence days per child each financial year.

If you reach your allowable absence limit, you may be able to get additional absences. You may get additional absences if any of these apply and will need to provide supporting documents:

- your child is ill
- your child's carer or their partner or another person your child lives with is ill
- your child is attending preschool
- alternative arrangements have been made for your child on a pupil-free day
- your child hasn't been immunised against an infectious disease and the absence occurs during an immunisation grace period
- your child is spending time with a person other than their usual carer as required by a court order or parenting plan
- your child's child care service is closed as a direct result of a local emergency
- your child can't attend because of a local emergency
- your child's carer chooses not to send the child due to a local emergency

When you can use absences:

You can only use absence days for days your child would normally attend care and get CCS. This includes public holidays.

You can use absence days for any reason, including if the child is on a holiday. You don't need to provide evidence for any absences you use under the allowable absence limit.

Parents' Responsibilities

When you claim CCS, it is each parent's responsibility to ensure that:

- You only receive the CCS you are entitled to
- You only receive the CCS when you have correctly signed in and out of the centre each day
- You have provided appropriate supporting documentation for Additional Absence Days

Should an audit of the centre's records reveal that you have not signed in and out of the centre correctly on days when your child attended, you will be required to repay any funding received for these days.

Receipts

The statements you receive from the centre details payments made during the previous fortnight and therefore can also act as a receipt. This statement/ receipt will itemise the child's attendance for the period, the amount of CCS that you have claimed and the number of Allowable Absences used for CCS you claim. It is a parental responsibility to ensure that your statement is correct.

The Enrolment Process

There are four steps to enrol a child:

1. The individual makes a claim for Child Care Subsidy with Centrelink
2. The provider and individual agree an arrangement for care of a child
3. The provider submits an enrolment notice
4. The individual confirms the enrolment

The process is outlined in the diagram below. The first two steps do not have to occur in this order, but no subsidy can be paid until all four steps have been completed.

Summary of the four main steps to enrol a child with a child care provider when claiming the Child Care Subsidy from Centrelink.

