

# reflections

GOWRIE AUSTRALIA PUBLICATION ISSUE 2 2018



## ARE YOU READY FOR THE NEW CHILD CARE PACKAGE?

**Kerrie Westcott PSM, Branch Manager, Early Childhood and Child Care, Australian Government Department of Education and Training**

From 2 July 2018 the way that child care is subsidised in Australia will change. As we move closer to this date, it's important that early childhood educators understand what this means for them and for the families who use their services.

Under the new arrangements, the existing Child Care Benefit (CCB) and Child Care Rebate (CCR) will be replaced by a new Child Care Subsidy. The Child Care Subsidy is the base level of subsidy that all eligible families will be entitled to. It will be paid directly to the child care provider with families paying any difference between their subsidy amount and the actual fees charged.

The Subsidy will be supported by a Child Care Safety Net for vulnerable and disadvantaged children, which will provide higher levels of child care fee assistance in certain circumstances.

### What it means for families

One of the major changes is the way that the Child Care Subsidy will be calculated. Three things will determine a family's level of subsidy:

**1. Combined family income – this determines the percentage of fees that will be covered.**

Lower income families will be entitled to a higher percentage of subsidy. For example, families earning \$65,710<sup>^</sup> or less will be entitled to receive a subsidy of 85% of the fees they pay, while those on \$350,000<sup>^</sup> or more will get 0%.

**2. Activity level of parents – this determines how many hours of care parents can claim.**

Families will be able to access up to a maximum of 100 hours per fortnight of subsidised care, subject to their levels of recognised activity (such as working, studying, training or volunteering).



### 3. The type of child care service a family uses – this determines the maximum hourly rate that the subsidy percentage is based on.

Different service types have different hourly rate caps. For centre-based day care, the rate cap is \$11.55<sup>^</sup> per hour.

The Australian Government has developed an estimator that families can use to quickly work out how much Child Care Subsidy they may be eligible for. The estimator is available on [education.gov.au/childcare](http://education.gov.au/childcare).

It's important for families to know that they don't need to do anything just yet. Centrelink will be in touch with them in early April to provide further information on what families will need to do to transition to the new arrangements.

Early childhood educators can also play an important role in helping families understand the changes. For example, they can assist by displaying 'The New Child Care Package' brochure at their centre, or directing them to the Department of Education and Training's website for information. And if their service uses social media – they can follow the Department of Education's Facebook page and like and share the New Child Care Package posts.

#### What it means for early childhood educators

To enable the payment of the Child Care Subsidy, a new IT system is currently being built and this system will replace the existing Child Care Management System (CCMS). The new Child Care Subsidy System (CCSS) will streamline and automate administration for service providers and make it easier for families to access their Child Care Subsidy information, eligibility for assistance, claim status, and enrolment and attendance information in the one place.

Regardless of whether a service uses a third party software provider or not (as this is not mandatory from 2 July 2018), to interact with the new IT system, it is essential that key personnel in every provider/service register for a PRODA (Provider Digital Access) account. Providers will identify the appropriate staff members who need to register and provide details on how to undertake this process. The registration process is easy and should only take around 10 minutes per person.

The Department of Education and Training will be conducting Information Sessions throughout March.

The sessions are aimed at centre directors and administrators, to help them understand the changes and what the new 'business-as-usual' requirements will be once the new package starts on 2 July 2018.

Details of the information sessions, including how to reserve a place, are available at [education.gov.au/providerinfosessions](http://education.gov.au/providerinfosessions)

For those who cannot attend a session in person, there will also be a series of interactive webinars they can tune into (which will be recorded and able to be viewed at a later date).

#### More information and further resources:

- The Department of Education and Training's website has further details on all elements of the new child care package, including the child care subsidy and safety net. It also has links to brochures, posters and fact sheets: [education.gov.au/childcare](http://education.gov.au/childcare)
- Department of Education and Training Facebook page: [facebook.com/AusGovEducation](https://facebook.com/AusGovEducation)
- Department of Education and Training Twitter: [twitter.com/Eduspokesperson](https://twitter.com/Eduspokesperson)

<sup>^</sup>These amounts may be subject to adjustment through indexation.

For your professional learning and support contact your state based Gowrie listed below:

NSW [www.gowriensw.com.au](http://www.gowriensw.com.au)

QLD [www.gowrieqld.com.au](http://www.gowrieqld.com.au)

SA [www.gowriesa.org.au](http://www.gowriesa.org.au)

TAS [www.gowrie-tas.com.au](http://www.gowrie-tas.com.au)

VIC [www.gowrievictoria.com.au](http://www.gowrievictoria.com.au)

WA [www.gowrie-wa.com.au](http://www.gowrie-wa.com.au)



reflections