Child Care Subsidy Information

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?

You may be eligible if you or your partner meet all of the following:

- care for your child at least 2 nights per fortnight or have 14% care
- are liable for fees for care provided at an approved child care service
- meet the residence rules.

Your child must also meet both of these:

- immunisation requirements
- not be attending secondary school unless an exemption applies.

If your child attends secondary school, you may still be eligible if they need supervision. They must be either:

- 13 or under
- 14 to 18 with disability.

In these circumstances, you must provide evidence why your child can't be unsupervised. This may include evidence of your child's disability and if exceptional circumstances apply. You also need to confirm an adult cannot care for your child during this time.

If we ask you to provide a statutory declaration, it must be a Commonwealth statutory declaration. Find out about Commonwealth statutory declarations on the Attorney-General's Department website.

Each person that's liable to pay child care fees will need to apply for this subsidy and meet these criteria.

Find out more about how to maintain your eligibility for CCS when your child doesn't use child care.

Families can learn more about eligibility for CCS on the Services Australia website.

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 $88,520	**90%**
More than $88,520 to below $538,520	Between 90% and 0% The percentage decreases by 1% for every $5,000 of income a family earns
$538,520 or more	**0%**

Families can learn more about how their income affects CCS on the Services Australia website.

Number of children in care

If your family has more than one child aged 5 or younger in care, you may get a higher Child Care Subsidy (CCS) for one or more of your children.

You can get a higher subsidy for one or more of your children, if all of these apply:

- you get or will be eligible for CCS
- your family's combined income is under $370,727
- your family has more than one CCS eligible child aged 5, or younger.

If your family has more than one child aged 5 or under we'll assess which children get a higher subsidy by working out both:

- the 'standard rate child'
- the 'higher rate child' or the 'higher rate children'.

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

The 'higher rate child' is any CCS eligible child younger than your standard rate child. You'll get a higher subsidy rate for them.

For children born on the same date, such as twins, we'll automatically determine one child as the 'standard rate child'. We'll then apply a higher rate to other eligible children.

The rates for each child are worked out separately.

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

The 'higher rate child' is any CCS eligible child younger than your standard rate child. You'll get a higher subsidy rate for them.

Rates for second and younger children

Family income	Second and younger children subsidy rate
$0 to $146,437	95%
More than $146,437 to below $191,437	Between 95% and 80% The percentage decreases by 1% for every $3,000 of income a family earns
$191,437 to below $270,727	80%
$270,727 to below $360,727	Between 80% and 50% The percentage decreases by 1% for every $3,000 of income a family earns
$360,727 to below $370,727	50%
$370,727 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 100 hours of subsidised care per fortnight for each Aboriginal and/or Torres Strait Islander child in their care.

Families will still pay an out-of-pocket cost to their child care service, depending on their Child Care Subsidy (CCS) percentage.

It's voluntary to tell us if you care for an Aboriginal or Torres Strait Islander child. If you choose not to tell us, your CCS won't change.

If you get 100 hours of CCS or if your family's recognised participation types change, you should still tell us.

Activity levels

Hours of activity each fortnight	Hours of subsidised care, per child, each fortnight
48hours or less of recognised participation each fortnight	72 hours
More than 48 hours of recognised participation each fortnight, Valid exemptions, Aboriginal and Torres Strait Islander children	100 hours

If volunteering or looking for work is your only recognised participation type, we'll count the first 16 hours towards your participation level.
Find out more about other circumstances that affect hours of subsidised child care.

Care type

The amount of Child Care Subsidy (CCS) you can get depends on the type of approved child care you use. It also depends on the age of your child.

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

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

2026–27 hourly rate caps

Care type	Hourly cap rate for children below school age	Hourly cap rate for school-age children
Centre Based Day Care	$15.19	$13.30
Outside School Hours Care	$15.19	$13.30

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 Additional Child Care Subsidy.

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.

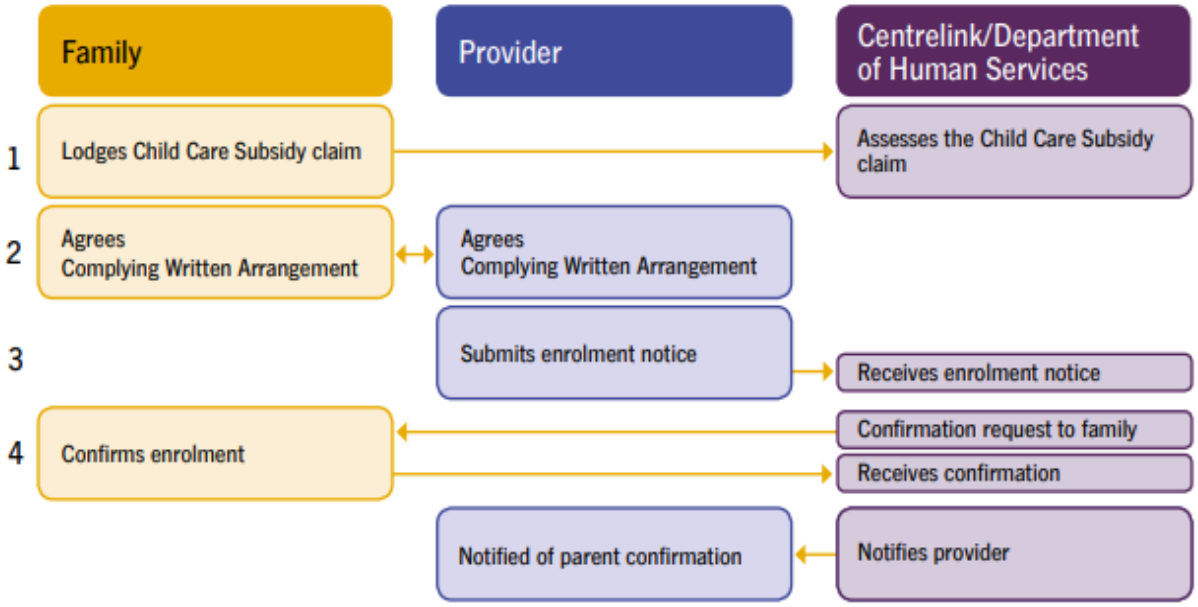
The Enrolment Process

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.



Complying Written Arrangement (CWA)

A Complying Written Arrangement (CWA) is an ongoing agreement between an ECEC service provider and a Parent/Guardian, to provide care in return for fees. The CWA must contain a minimum amount of information as defined by the Government. Service providers are required to have a CWA in place for each child in their care, as set out in subsection 200B(3) of the Family Assistance Administration Act.

The CWA needs to include all of the following (*in accordance with subsection 200B(3) of the Family Assistance Administration Act*):

- the names and contact details of the parties to the arrangement
- the date the arrangement was entered into
- the name and date of birth of the child to whom sessions of care are proposed to be provided
- whether care will be provided on a routine basis under the arrangement, and if so:
  - details about the days on which sessions of care will usually be provided; and
  - usual start and end times for these sessions of care
- whether care may be provided on a casual or flexible basis under the arrangement (either in addition to, or instead of, being provided on a routine basis)
- details about fees proposed to be charged to the individual for the sessions of care provided under the arrangement, which can be detailed by reference to other material (such as a fee schedule or information available on a website maintained by the provider) that the parties expressly understand may vary from time to time.

An arrangement can be in hardcopy or electronic form.

A CWA is required for all families.