



Australian Government
Department of Education

Child Care Provider **Handbook**

Version 2, June 2019

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The document must be attributed as the Child Care Provider Handbook.



Australian Government
Department of Education

Child Care Provider Handbook

Version 2, June 2019

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About the handbook

This section provides information about the handbook, its purpose and the content it covers. It explains the structure of the handbook—which is based on the journey from applying for approval through to the process of enrolling, reporting and receiving subsidy payments—and identifies the key terms used throughout the handbook. It provides information on where to find online versions of the handbook and other important resources relating to early learning and child care. Finally, this section lists the key legislation and explains the authority of the handbook in relation to that legislation.

This chapter has the following sections:

- Purpose
- Using the handbook
- Family Assistance Law
- National Quality Framework
- Key terms
- Notice and disclaimer
- Comments and suggestions.

Purpose

The *Child Care Provider Handbook* is written for providers of early learning and child care who are, or are interested in applying to be, approved under Family Assistance Law.

The handbook provides information for providers to assist them to understand the processes relating to approval, enrolment of children and payment of Child Care Subsidy and Additional Child Care Subsidy. It outlines a provider's obligations and responsibilities as part of those processes and as part of their ongoing approval under Family Assistance Law.

The handbook is intended to provide high-level guidance and is not intended to be a substitute for reading and understanding Family Assistance Law.

The handbook does not address requirements set out under the National Quality Framework. Further information on the National Quality Framework can be found at the Australian Children's Education & Care Quality Authority website at www.acecqa.gov.au.

Using the handbook

The handbook is structured to assist child care providers to understand the processes for:

- becoming an approved provider
- applying to be an approved provider
- enrolling children
- managing and reporting sessions of care
- receiving, passing on and/or remitting subsidy payments
- record keeping.

The appendices provide more specific information on the:

- Child Care Subsidy and Additional Child Care Subsidy
- ongoing approval requirements and compliance
- requirements that apply to services that are not regulated under National Law
- information about support and funding that may be available to providers who meet the specific program or funding requirements
- contacts and links to other information sources.

A **Glossary** of defined terms and an **Index** are at the end of the handbook.

More detailed information on Additional Child Care Subsidy (child wellbeing) can be found in the *Guide to Additional Child Care Subsidy (child wellbeing)* at www.education.gov.au/accs-child-wellbeing-guide. Similarly, further information on the In Home Care Program can be found in the *In Home Care National Guidelines and In Home Care Handbook* at www.education.gov.au/in-home-care.

Where the Department of Education has published further specific information about content in the handbook, links to that information have been included (usually in the form of fact sheets on the Department of Education website).

The handbook is intended primarily for online use. However, users of the printed version will find page numbers alongside internal links, and a list of website addresses used within the handbook can be found at **Appendix G**.

Where the handbook or other linked resources do not address a question, or the circumstances a provider is dealing with are unusual, the provider should consider contacting the Department of Education Child Care Subsidy Helpdesk. Contact details are at **Appendix G**.

The handbook will be updated regularly, and the most recent version will appear on the Department of Education website. The version number and date are shown on the handbook landing page and on every page of the handbook website and the printable PDF version.

Take care when referring to printed copies of the handbook, as they may be out of date. To ensure that the latest version of this handbook is being used and for easy access to direct links to external online resources, we recommend that providers refer to the website where possible.

Finally, please note that subsidy rates used within the handbook are for the 2019–20 financial year and are indexed by the Consumer Price Index annually.

The online version of the handbook is at www.education.gov.au/child-care-provider-handbook. Further information on the handbook, as well as a printable version, is at www.education.gov.au/child-care-provider-handbook-0.

Family Assistance Law

Family Assistance Law is a broad term that encompasses the following legislation:

- [A New Tax System \(Family Assistance\) Act 1999](#)
- [A New Tax System \(Family Assistance\) \(Administration\) Act 1999](#)
- [Child Care Subsidy Minister's Rules 2017](#) (Minister's Rules)
- [Child Care Subsidy Secretary's Rules 2017](#) (Secretary's Rules)
- Any other instruments (including regulations) made under the [A New Tax System \(Family Assistance\) Act 1999](#) and the [A New Tax System \(Family Assistance\) \(Administration\) Act 1999](#)
- Schedules 5 and 6 to the [A New Tax System \(Family Assistance and Related Measures\) Act 2000](#).

All approved child care providers must be familiar with and comply with the legislation and legislative instruments that form Family Assistance Law.

Website addresses for legislation are at [Appendix G](#).

National Quality Framework

The National Quality Framework provides a national approach to regulation, assessment and quality improvement for early childhood education and care and outside school hours care services across Australia.

The National Quality Framework includes:

- [Education and Care Services National Law Act 2010](#) (National Law)
- [Education and Care Services National Regulations 2011](#) (National Regulations)
- National Quality Standard
- assessment and quality rating process
- national learning frameworks.

Providers must be familiar with and comply with the *Education and Care Services National Law Act 2010* and *Education and Care Services National Regulations 2011* unless they are exempt (see [Appendix C](#)).

Further information about the National Quality Framework and contacts for each of the state and territory regulatory authorities can be found at the Australian Children's Education & Care Quality Authority website at www.acecqa.gov.au.

Key terms

Approved provider—a provider that holds approval for one or more child care services under Family Assistance Law.

Child—the child who receives child care, and for which an individual (such as the child's parent) or an approved provider may be eligible to receive Child Care Subsidy or Additional Child Care Subsidy. This includes some older children in particular circumstances.

Child care software—software developed and provided by commercial providers to interact with the Australian Government's Child Care Subsidy System (information technology system) and to support other administrative and management activities for child care providers.

Claimant—another term used to describe an individual in relation to their claim for Child Care Subsidy.

Complying Written Arrangement—a written arrangement between a child care provider and an individual to provide child care in return for fees. The arrangement includes certain required information.

Days—all references to 'days' are calendar days unless specified otherwise.

Individual—the person who is responsible for a child's care and who (or whose partner) is liable to pay the child care fees (see [Who is the individual responsible for the child's care?](#) at page 35). The individual is often the child's parent (or the parent's partner) but may be another adult with legal responsibility for the child. To receive Child Care Subsidy, the individual must meet certain eligibility requirements.

National Law and National Regulations—set a national standard for children's education and care across Australia. In effect the same law is applied in each state and territory but with some variations for the needs of each state or territory.

Provider Digital Access (PRODA)—a system to authenticate a person's identity so that they can interact with government digital and online systems.

Provider Entry Point (PEP)—part of the Child Care Subsidy System through which providers can apply for provider and service approval. PEP enables them to access information, add or remove a service, make notice of a change in their circumstances, and give enrolment notices and session reports for Child Care Subsidy.

Service—the early learning and child care that is delivered by a provider at a site or in a setting. There are different types of child care services, and a provider may deliver one or more approved services at the same site (see [Eligibility for Child Care Subsidy](#) at page 76).

Department of Human Services/Centrelink—where the handbook refers to interactions between families and the Department of Human Services, it refers to Centrelink—the service delivery function of the Department of Human Services. Where the handbook refers to interactions between the Department of Human Services and providers, it refers to the Department of Human Services. Note that the Department of Human Services will be renamed 'Services Australia' in late 2019/early 2020.

These and other important terms are defined in the [Glossary](#).

Notice and disclaimer

The handbook is provided as guidance only and is not the law. Providers and other users accept any risk involved in relying on the handbook without having regard to Family Assistance Law.

If there is a conflict or discrepancy between the material in this handbook and Family Assistance Law, Family Assistance Law will prevail. Providers and others who use this handbook should refer to Family Assistance Law for the laws that apply to child care payments and the approval of child care providers and services.

Providers must also know and comply with the conditions of their approval and any relevant terms and conditions in any contractual funding agreements they have entered with the Commonwealth. If there is conflict between material contained in this handbook and conditions of approval or terms in funding agreements then the conditions and terms prevail.

Comments and suggestions

If providers have any suggestions or ideas on how to improve this handbook, please email childcareproviderhandbook@education.gov.au with the subject line 'Child Care Provider Handbook suggestions', explaining the feedback or suggestion and giving contact details so that we can follow up as needed.

Becoming an approved provider

This chapter provides information about the responsibilities of a child care provider and the key business requirements that are part of being a provider. It explains the different roles of the Australian Government and state and territory governments, the approvals required from each and what those approvals mean. This section also discusses the types of child care services that can be provided and the key requirements that differentiate each.

This chapter has the following sections:

- What is an approved provider?
- What approvals or licences are required?
- Provider approval
- Service approval.

What is an approved provider?

A provider approved under the Family Assistance Law provides child care in one or more of its services and receives and passes on Child Care Subsidy payments to eligible families to reduce the cost of child care.

A provider approved under Family Assistance Law is responsible for satisfying obligations under both Commonwealth and state and territory laws. This includes obligations to:

- comply with Family Assistance Law
- comply with the National Law and National Regulations and all related state or territory laws involving the operation of a child care service, unless that service is exempt (see [Appendix C](#))
- ensure the child care provider and relevant personnel (that is, persons with management or control of the provider and persons responsible for the day-to-day operations of the service) are fit and proper persons to have a role in the receiving and passing on of Child Care Subsidy payments (see [Who needs to be a fit and proper person?](#) at page 29)
- ensure that background checks, including criminal history and working with children checks, are carried out for relevant staff and educators (see [What matters should be considered?](#) at page 30).

When determining whether a person is a fit and proper person to be involved in the administration of the Child Care Subsidy and the Additional Child Care Subsidy, matters involving fraud, dishonesty, financial management, compliance with the law and administration of funds are all relevant considerations. Matters considered in determining whether someone is a fit and proper person include:

- evidence of activity that does not comply with criminal or civil law, including (but not limited to) activity related to children or indicating dishonesty or violence
- court proceedings and convictions or findings of guilt, including (but not limited to) activity related to children or indicating dishonesty or violence
- any past administrative decisions relating to a person's suitability to be involved in child care
- evidence of fraud or dishonesty
- the person's history of managing public funds; and any past or current debts to the Commonwealth
- the person's record of financial management, including any instances of bankruptcy, insolvency or external administration
- any potential conflicts of interest between managing or delivering the child care service and other business or financial interests of the person
- any other matter relevant to the suitability of the provider and their staff.

Specified personnel must be fit and proper persons, regardless of whether they are required to use the Child Care Subsidy System.

Where a provider does not comply with their obligations under Family Assistance Law, sanctions may be imposed. See [Appendix E](#) for more information on the conditions for continued approval and the consequences of a breach of those conditions.

What approvals or licences are required?

Australia has a dual regulatory system for the provision of child care. This is because the state and territory governments and the Australian Government have different roles and responsibilities.

A provider can operate and charge fees for child care services if they are approved under the National Law, even if they are not approved by the Australian Government under Family Assistance Law.

However, a provider must be approved under Family Assistance Law for Child Care Subsidy and Additional Child Care Subsidy to be claimable by families for care provided to children at the provider's service.

National Law approval

Providers need state or territory approval to operate a child care service. While there are some exceptions (discussed at [Appendix C](#)), providers cannot care for children unless they are approved under the National Law by the child care regulatory authority in their state or territory.

State and territory governments are responsible for ensuring providers are meeting standards for the safety, health and wellbeing of children and for the educational outcomes of children. State and territory governments do this through the National Quality Framework under the National Law and National Regulations.

To be approved under the National Law, providers and services must meet the requirements of the National Quality Framework. The National Quality Framework provides a national approach to regulation, assessment and quality improvement for child care services across Australia.

Key aspects of the National Quality Framework include:

- specified educator-to-child ratios so that each child receives the individual time and attention they need
- an approved learning framework to support each child's learning and development
- educator qualification requirements so that educators are better able to lead activities that inspire children and help them learn and develop
- an assessment and ratings system so that parents know the quality of early learning and child care being provided and can make informed choices.

Further information on the National Law and the National Quality Framework and contacts for each of the state and territory regulatory authorities can be found at the Australian Children's Education & Care Quality Authority website at www.acecqa.gov.au.

Family Assistance Law approval

The Australian Government is responsible for the administration and payment of Child Care Subsidy and Additional Child Care Subsidy for families. It does this under Family Assistance Law, which sets out the entitlement families have to subsidies and the rules that apply to child care providers who provide subsidised care to children.

To become an approved provider under Family Assistance Law, a provider must hold the required approvals or licences to provide child care in the state or territory in which each of its child care services operate.

There are a small number of services that do not fall under National Law and are excluded from the requirement to hold National Law approval. An example of these services is In Home Care (see [Appendix C](#)).

Providers can apply for approval under Family Assistance Law while they are undergoing assessment for National Law approval. The application for approval by the Australian Government will request provider and service approval numbers that providers will receive when they apply for National Law approval.

Provider approval

Who can be approved?

Under Family Assistance Law any of the following entities may apply for provider approval for one or more services that the provider operates or proposes to operate:

- **Sole trader**—an individual person who has legal capacity and/or authority to enter obligations.
- **Partnership**—a collection of entities (for example, made up of individuals, companies or other corporate bodies) where the control or management of the business is shared.
- **Private company**—a company registered with the Australian Securities and Investments Commission as Proprietary Limited (cannot raise funds from the public).
- **Public company**—a company registered with the Australian Securities and Investments Commission that is usually formed to raise or borrow public money by listing the company's shares for trading on the Stock Exchange.
- **Registered cooperative**—a democratic organisation owned and controlled by its members for a common benefit. The name of a registered cooperative always includes the word 'Cooperative' or 'Coop' and ends with 'Limited' or 'Ltd'.
- **Australian Government body**—Australian Government bodies are not required to register their name or any name they trade under as a business name but may still wish to do so under some circumstances.
- **State/territory government body**—government bodies are not required to register their name or any name they trade under as a business name but may still wish to do so under some circumstances.
- **Local council**—as government bodies, local councils are not required to register a name or any name they trade under as a business name but may still wish to do so under some circumstances.
- **Indigenous corporation**—a corporation that is voluntarily registered under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*.
- **Incorporated body or association**—an entity which is separate from the individual member, is given legal status by state or territory legislation and will have a constitution or rules setting out how it operates.
- **Unincorporated body or association**—an unincorporated body is not a separate legal entity from its members; it is simply the group of people who have agreed to come together to pursue a common purpose with club-like characteristics—for example, a sporting club, social club or trade union.

Can trusts be approved?

Approval may be granted to a trustee in its capacity as trustee of the trust. As part of the application for approval, the provider (trustee) must provide a copy of the trust deed.

Approval is not granted to the trust itself, as a trust is not a legal entity.

Where a provider is uncertain of its entity type or its trustee status, it is important that it seek independent business advice before seeking approval.

Why do providers need an Australian Business Number?

Approved providers will be responsible for receiving and passing on significant amounts of public funds in the form of child care fee assistance payments, so it is necessary to unambiguously identify the legal entity as an organisation.

All providers must have a valid Australian Business Number, including trustees acting in their capacity as a trustee (noting that a trustee may also have a separate Australian Business Number when acting on its own behalf and not as a trustee). Information about how to apply for an Australian Business Number is on the Australian Business Register website at www.abr.gov.au.

Are there financial requirements for providers?

A Large Centre Based Day Care provider must be financially viable, and likely to remain so, to be approved. A provider is a Large Centre Based Day Care provider if it (or a group of related providers) operates 25 or more approved Centre Based Day Care services.

The Secretary of the Department of Education may ask for additional information or supporting documentation to assess whether Large Centre Based Day Care providers meet this requirement. However, providers are responsible for ensuring their application is complete and contains enough information to enable this assessment to be made.

Service approval

What types of child care service can be approved?

There are four types of child care services which can be approved by the Department of Education to receive and pass on Child Care Subsidy and Additional Child Care Subsidy payments to families:

- Centre Based Day Care
- Outside School Hours Care
- Family Day Care
- In Home Care.

Please note that the definitions of ‘care’ may differ from those provided under National Law, and the National Law has its own specific requirements relating to different types of care.

What is Centre Based Day Care?

A Centre Based Day Care service is provided in centres that are approved by the relevant state or territory authority.

A Centre Based Day Care service may offer sessions of care to children who attend school, however, this must not be the care that is predominately provided by the service—the majority of care should be provided to children who do not attend school.

A Centre Based Day Care service must operate for a minimum period of at least 48 weeks per year, unless the Department of Education determines that a specific shorter period is appropriate (see [What is the minimum number of weeks each year an approved service must operate?](#) at page 18).

Beyond operating for the minimum period, the provider can decide on the hours of care provided per day and the number of days per week that care is provided. Providers can consider flexible options that suit their children and families as well as their business.

A child attends school where the child:

- attends the year of school before Grade 1 of primary school (for example, kindergarten), or
- attends primary or secondary school, or
- is on a break from school and will be returning to primary or secondary school after that break (for example, school holidays), or
- is subject to home schooling as recognised in the state or territory in which the child lives, or
- has reached six years of age.

What is Outside School Hours Care?

Outside School Hours Care services provide care before and after school hours and during school holidays for children who normally attend school.

Children who do not attend school may attend Outside School Hours Care (for example, a service may provide care for preschool-age siblings of school-age children), and the mix of children attending the service can vary from day-to-day or week-to-week. However, an Outside School Hours Care service must predominantly provide care to school-age children.

Outside School Hours Care services must operate for at least seven weeks per year, unless the Department of Education determines that a specific shorter period is appropriate (see [What is the minimum number of weeks each year an approved service must operate?](#) at page 18).

Beyond operating for the minimum period, the provider can decide the hours of care provided per day and the number of days per week. Providers can consider flexible options that suit families as well as their business.

What is Family Day Care?

Family Day Care is care that is usually provided in the home of an educator for one or more children.

Family Day Care must be provided by an approved provider as part of an approved service. Family Day Care services must operate for at least 48 weeks per year, unless the Department of Education determines that a specific shorter period is appropriate (see [What is the minimum number of weeks each year an approved service must operate?](#) at page 18).

There is no entitlement to Child Care Subsidy or Additional Child Care Subsidy where a Family Day Care educator, or their partner, cares for:

- their or their partner's child, including a foster care child, adopted child, kinship child or child for which they otherwise have legal responsibility, or
- their or their partner's brother, sister, half-brother or half-sister, step-brother or step-sister, grandchild or great-grandchild, nephew, niece or cousin.

Further, where an individual or their partner is a Family Day Care educator, they will not be eligible for Child Care Subsidy or Additional Child Care Subsidy for a session of care provided to their child on the same day that the individual or their partner is providing care as a Family Day Care educator. However, an exemption to this prohibition applies where certain limited specified circumstances exist (see [Can care be provided by a Family Day Care service to a Family Day Care educator's child?](#) at page 48).

What is In Home Care?

In Home Care is care is provided in the home of a child by an educator where the family meets the suitability criteria for In Home Care.

In Home Care is a flexible child care option available to families that are not able to access Centre Based Day Care, Family Day Care or Outside School Hours Care and where one or more of the following circumstances apply:

- parents or carers are working outside normal child care service hours
- parents or carers are too far away from other types of approved child care—for example, in rural and remote locations
- the family has challenging or complex needs and other approved child care services are not able to meet the needs of the child or the family.

Families accessing In Home Care due to challenging or complex needs may have one or more of the following circumstances:

- a child with additional needs or disability whose early childhood education and care requirements cannot be catered for in another approved child care setting or through other government-funded or community-based services
- a family where a parent is undergoing treatment for a serious illness
- other family situations that prevent families from accessing other approved child care types.

In Home Care is not regulated under the National Law. However, approved In Home Care services must meet quality standards as outlined in the Minister's Rules (see also [Appendix C](#)).

As with Family Day Care, there is no entitlement to Child Care Subsidy or Additional Child Care Subsidy where an In Home Care educator, or their partner, cares for:

- their or their partner's biological child, regular care child, foster care child, adopted child, kinship child or child for which they otherwise have legal responsibility
- their or their partner's brother, sister, half-brother or half-sister, step-brother or step-sister, grandchild or great-grandchild, nephew, niece or cousin.

However, an exemption to this prohibition applies where certain limited specified circumstances exist.

More information on In Home Care can be found in the [*In Home Care National Guidelines*](#) and [*In Home Care Handbook*](#).

What types of services cannot be approved?

A service that only offers care informally or as part of providing non-care-related services cannot be approved under Family Assistance Law.

Services cannot be approved under Family Assistance Law if they are any of the following:

- informal care provided through personal arrangements (for example, baby-sitting or grandparents providing ad hoc care to their grandchildren)
- a service primarily providing instruction in an activity (such as sport or music)
- a service primarily providing a disability or early intervention service
- a service that provides care, but the parent retains responsibility for the child while the service is provided (such as a play group)
- a service primarily providing short-term irregular care at premises where the parent is a visitor or guest and the parent is readily available (such as a service provided by a gym)
- a service that primarily provides an early educational program to children in the year that is two years before Grade 1 of school (such as a preschool or kindergarten).

Mixed or integrated services can still be approved if they include such activities but not if this is the service they primarily provide.

What is the minimum number of weeks each year an approved service must operate?

The minimum period that a service must operate each year is:

- 48 weeks per year for a Centre Based Day Care service (this includes long day care and occasional child care services), family day care and in home care
- seven weeks per year for an Outside School Hours Care service.

However, the Secretary of the Department of Education may specify a shorter minimum period for a service if satisfied that due to special circumstances affecting the service it is appropriate for the service to operate for a shorter minimum period.

Providers that consider their services have special circumstances affecting their operating period should contact the Department of Education.

More information is available is available on the Department of Education website at docs.education.gov.au/documents/child-care-subsidy-minimum-operating-periods-special-circumstance-requirements-fact-sheet.

Applying to become an approved provider

This chapter is to help providers that are applying for approval for the first time, are seeking to add or remove a service from their provider approval or simply want a better understanding of the systems and requirements relating to registration of personnel.

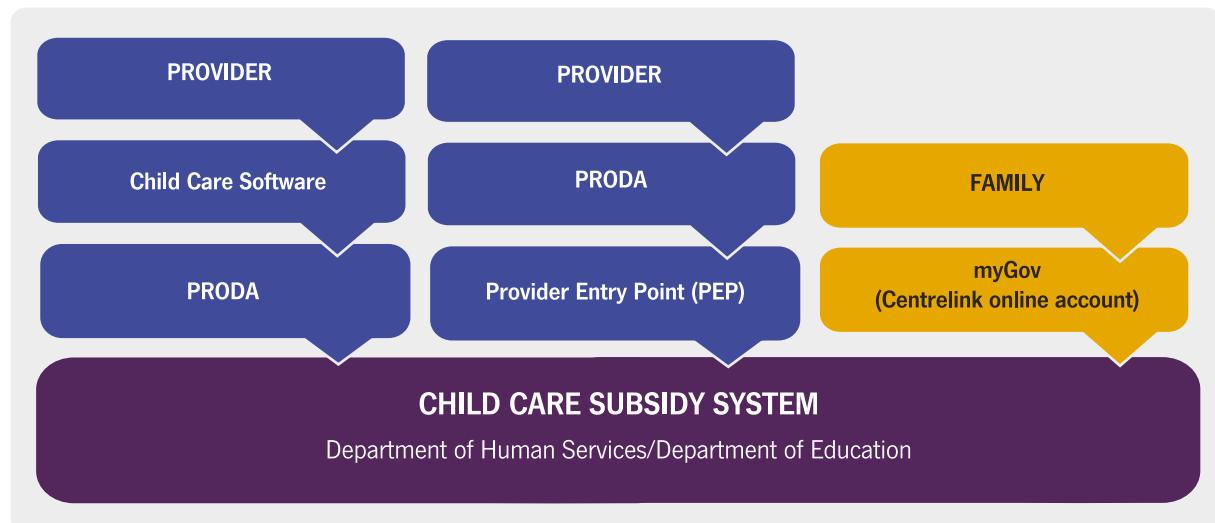
This chapter has the following sections:

- Software and systems
- Registering with PRODA
- Making an application
- Specified personnel
- Adding or removing a service.

Software and systems

Before applying to be an approved provider, it is important to be aware of the software and systems used to progress that application.

Figure 1: IT systems used by an approved provider



What is the Child Care Subsidy System?

The Child Care Subsidy System is the information technology system used by the Department of Human Services to administer payments of Child Care Subsidy and Additional Child Care Subsidy and support a range of management functions.

This system holds the necessary records, including details of providers, their staff and children using each service, and uses enrolment and session data to calculate and make payments.

What is the Provider Entry Point?

The Provider Entry Point (PEP) is the online interface that providers can use to sign in and access the Child Care Subsidy System.

Providers can use the PEP to do a range of things, including:

- access Provider Digital Access (PRODA) to register or create an account
- obtain child care software activation codes
- add, update or remove relevant staff details
- view, add and update session reports
- create a certificate for Additional Child Care Subsidy (child wellbeing)
- view entitlements and payments
- apply for a determination on Additional Child Care Subsidy (child wellbeing)
- view and update organisation details
- create, view and update the Family Day Care Exceptions Register
- update organisation details in the Child Care Finder.

Applicants seeking approval will use the PEP to submit their application and supporting documents.

Once approved, providers may choose to continue using the PEP to submit child care data and retrieve payment information. However, they may also choose to use one of the approved child care software products for these purposes.

Approved child care software may offer additional functionality to the basic functions supported by the PEP, such as rostering and room management, invoicing, vacancy management, payroll management and advanced reporting and statements.

The decision to use an approved child care software product is a business decision for each provider. A list of approved software providers is available on the Department of Education website at docs.education.gov.au/node/3300.

Families do not use the PEP. Instead, they access the Child Care Subsidy System through their Centrelink online account. Using this account, they can see and review the information being given by providers about their entitlements and will receive periodic notifications so they can check if information relating to their children's care is correct.

What is PRODA?

PRODA is the online system used to verify a person's digital identity.

Once a person's identity has been verified through PRODA, they can interact online with the Australian Government for a range of purposes without needing to verify their identity each time.

Each person can only register one PRODA account in their name. When someone accesses PRODA they must:

- use their own personal and contact information to set up their account
- keep their PRODA account secure and never share details with anyone
- comply with the PRODA terms and conditions.

PRODA accounts do not expire and, if a provider takes on a new employee who already has a PRODA account, they keep the same PRODA account because it belongs to them as an individual.

Every individual who needs to interact with the Child Care Subsidy System must:

- register an account and receive a Registration Authority Number
- undergo identity verification using identification documents, such as a Medicare card, passport or birth certificate.

PRODA also requires an individual who is listed as an associate of an organisation—in this case the provider—on the Australian Business Register to create an organisation account for the provider (once they have registered as an individual). During the registration process, PRODA checks that the entity information for the organisation is consistent with its record on the Australian Business Register and checks that the person creating the organisation record is authorised to do so by asking them to complete some verification questions about the organisation.

Once registration is complete, the organisation has a unique PRODA Registration Authority Number used to identify it in government provider systems, including the Child Care Subsidy System. Other PRODA-registered individuals may also be linked to the PRODA organisation. A child care provider cannot be approved unless they have a verified organisation account in PRODA.

What software and systems are required?

There are no specified requirements—providers will need whatever systems they consider necessary to allow them to interact with the Child Care Subsidy System and to meet their obligations under Family Assistance Law.

However, providers will typically need to have systems in place to:

- record attendance and absences
- provide Statements of Entitlement, invoices and receipts
- action employee background checks, complaints and other matters.

A list of registered child care software products that providers can use to interact with the Child Care Subsidy System is available on the Department of Education website at docs.education.gov.au/node/3300.

Based on an assessment of testing results, the Department of Education is satisfied that these software products enable child care services to interact with the Child Care Subsidy System. However, the department has not done any independent testing of the products and does not formally endorse or approve any of them or accept any liability for these products.

Some child care software products will manage the types of records listed above and interact with the Child Care Subsidy System. The type of software and system a provider uses for service management and record keeping is a business decision. Providers will need to decide what kind of software and system works best for the type and size of child care service they operate.

Providers may wish to wait until their application for provider approval has been approved before buying child care software.

Registering with PRODA

Who needs to register with PRODA?

The applicant (or the applicant representative) will need to register with PRODA as the first step towards creating an application for approval in the PEP.

Specified personnel (see **Who are specified personnel?** at page 28) who have already been identified at the time of application for approval must also be registered with PRODA and identified in the application for approval.

PRODA identification is required for all specified personnel, regardless of whether they will use the Child Care Subsidy System themselves.

Specified personnel, includes:

- persons with management or control of the provider
- persons responsible for the day-to-day operation of the service
- service contacts
- Family Day Care educators and In Home Care educators.

People involved with the service who undertake roles other than these—such as Centre Based Day Care educators and kitchen or outdoor staff—do not need to be registered with PRODA.

Persons who are acting or filling in for specified persons will need to be registered in PRODA.

Providers that transitioned to Child Care Subsidy on 2 July 2018 and have not registered their specified child care personnel have an ongoing obligation to ensure all these personnel are registered.

How do applicants register with PRODA?

Participants register with PRODA on the Department of Human Services website at www.humanservices.gov.au/organisations/health-professionals/services/medicare/proda. Each person must create their own account using a computer with internet access.

The process will require them to:

- create a unique user name and password
- create security questions and answers
- provide information from their identity documents, such as a passport, driver's licence or Medicare card.

At the end of the registration process, the person will receive a PRODA Registration Authority Number.

Each person must keep their PRODA user name and password secure and confidential.

Their PRODA Registration Authority Number must also be kept secure. It may be shared with providers, as they will need their specified personnel's PRODA Registration Authority Number to link to them in the Child Care Subsidy System.

The provider will need to notify the Australian Government through their child care software or the PEP when they employ new specified personnel. New personnel will need to be registered in PRODA and linked to the provider's approval.

How are activation codes obtained?

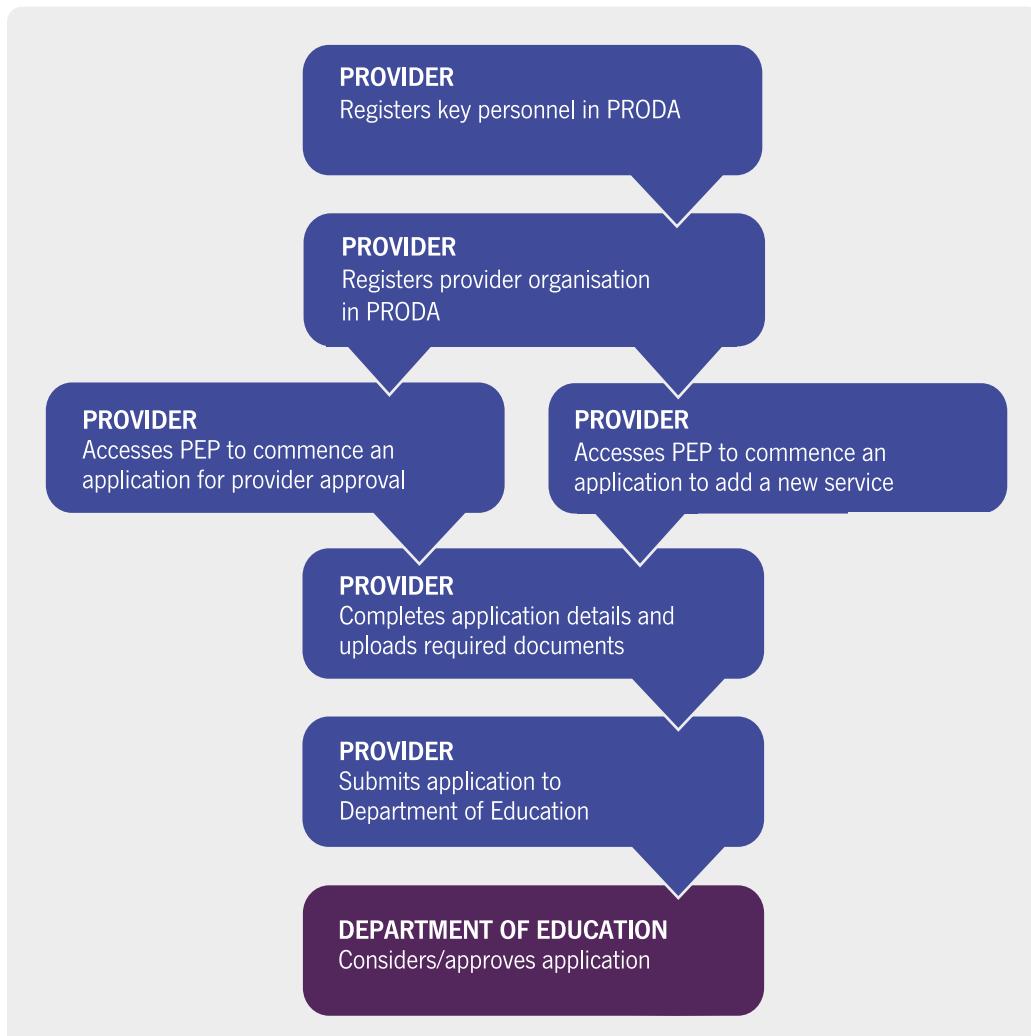
Before a provider can connect to the Child Care Subsidy System through their child care software, they will need to provide an activation code to their software provider.

The activation code is given by PRODA after registering the provider's organisation. The activation period is six months, after which the activation period will need to be extended. There are specific task sheets showing how this is done—see the Department of Education website at www.education.gov.au/new-child-care-package-information-resources-providers.

Once the activation code expires, the provider's child care software will be locked and the provider will not be able to submit data to the Child Care Subsidy System or receive payments until the code is reactivated. The provider should therefore ensure that the activation period is extended regularly.

Making an application

Figure 2: Steps in the approvals process



What information needs to be submitted in an application?

Once the individual representing the provider has registered with PRODA, they need to use their PRODA user name and password to log in to the PEP and start a new provider application.

An application will need to include the information as set out in Tables 1 and 2 below. It is important to ensure that the application is complete, as an application may be taken to have not been made if it does not include the required information, and the Department of Education would not be required to assess the application.

Table 1: Information required in a new provider application

Category	Information required
Applicant	<ul style="list-style-type: none"> • Name. • Contact details. • Proof of identity (via PRODA)—Registration Authority Number.
Provider	<ul style="list-style-type: none"> • Full legal name and proposed trading name. • Street and postal addresses (in the case of a company registered with the Australian Securities and Investments Commission, the address must match the address of the registered office or principal place of business). • Australian Business Number. • Approval number from the state or territory authority. • Name and contact details for each person with management or control of the provider. • If applicable <ul style="list-style-type: none"> – if the provider is applying in its capacity as a trustee of a trust—a copy of the relevant trust deed – if the provider is registered with the Australian Charities and Not-for-profits Commission—details of registration with the Australian Charities and Not-for-profits Commission, as publicly available on the Australian Charities and Not-for-profits Commission website.
Background checks	<ul style="list-style-type: none"> • Details of working with children cards for anyone required to hold a working with children card for care provided by a child care service of the provider. • Where the provider is an individual, evidence of place of business (for example, a lease agreement). • Where the provider is a company, a current and historical company extract obtained through the Australian Securities and Investments Commission website, no older than three months before the date of application. • See Table 2 for evidence that other applicant entity types must provide.
Each person with management or control of the provider	<p>All the following information for each person with management or control of the provider:</p> <ul style="list-style-type: none"> • Where the person is an individual—a copy of the results of a bankruptcy search conducted through the Australian Financial Security Authority website. • Where the person is a company—a current and historical company extract obtained through the Australian Securities and Investments Commission website. • Where the person is an individual—a copy of the results of an Australian National Police Criminal History Check obtained from the relevant state or territory police service or an agency accredited by the Australian Criminal Intelligence Commission and obtained no more than six months prior to the date of the application. • A current and historical personal name extract obtained through the Australian Securities and Investments Commission website. • Evidence that the person does not appear on the banned and disqualified register held by the Australian Securities and Investments Commission (in the form of a computer printout of the results of the search).

Category	Information required
Potential, perceived or apparent conflict of interest	<ul style="list-style-type: none"> • The identity of any company that owns or controls the provider applying for approval. • A declaration regarding the kinds of circumstances relating to perceived, potential or apparent conflicts of interest <ul style="list-style-type: none"> – any interests of the provider or person with management or control in a registered training organisation that an educator has obtained a qualification from, and matters related to that qualification – any interest of the provider or person with management or control in a business that might affect ability to comply, or have effect of conferring a benefit or raising perceptions of a conflict of interest.
Proposed services	<p>For every service to be added to the provider's approval:</p> <ul style="list-style-type: none"> • the proposed name of the service (if a business name has been registered with the Australian Securities and Investments Commission, that name) • any approval number issued by a state or territory authority regarding approval or registration of the education and care service • the type of service being applied for • the physical address where the service proposes to provide the care • the name and contact details for each person responsible for the day-to-day operation of the service • for each individual responsible for the day-to-day operation of the service, an Australian National Police Criminal History Check, obtained no more than six months before the date of the application, from the relevant state or territory police service or an agency accredited by the Australian Criminal Intelligence Commission • for a proposed Family Day Care or In Home Care service, a declaration that all proposed educators are fit and proper persons having regard to any prior actions involving fraud or dishonesty; and that they have the capacity to comply with Family Assistance Law.
In Home Care Service	Where the application is made for an In Home Care service, evidence that there has been contact with an In Home Care Support Agency for the purposes of providing the In Home Care service.

How does a provider prove legal entity status?

Table 2 sets out the information needed in an application for provider approval to show the provider's status as a legal entity.

Table 2: Supporting information required with a new provider application

Entity type	Information required with application for provider approval
Sole trader	<ul style="list-style-type: none"> • Evidence of place of business (for example, lease agreement).
Partnership	<ul style="list-style-type: none"> • A copy of the signed partnership agreement or deed between all members of the partnership.
Private company	<ul style="list-style-type: none"> • Historical and Current Company Extract Report (no older than three months before the date of application) from the Australian Securities and Investments Commission. • This report includes the names and addresses of current and previous company directors, secretaries and other office holders as well as company shareholders and the Australian Company Number.

Entity type	Information required with application for provider approval
Public company	<ul style="list-style-type: none"> Historical and Current Company Extract Report from the Australian Securities and Investments Commission no older than three months before the date of application.
Incorporated body/ association	<ul style="list-style-type: none"> Constitution or rules of association. Annual general meeting minutes (if applicable). List of elected office bearers. Financial statement for previous financial year. Letters patent (if applicable).
Indigenous corporation	<ul style="list-style-type: none"> Rules or constitution of association. Annual general meeting minutes (if applicable). List of elected office bearers.
Registered co-operative	<ul style="list-style-type: none"> List of directors—this should include details of directors' addresses and occupations. Certified copy of the rules as registered. Board-appointed person—name of person appointed by the board who is responsible for daily activities of the society.
Unincorporated body	<ul style="list-style-type: none"> Governing document(s) outlining the relevant rules and how the governing body will be run. Evidence that the person has authority to apply (for example, delegation letter). Evidence of a governing body should take the form of governing documents that clearly set out rules about how the unincorporated body will be run and specify items such as decision-making, liability, management of resources and membership. The format these documents may take and what they will cover depends on the size of the organisation. At a minimum, it is important to have financial controls (like rules around who can handle money) and rules for managing issues such as conflicts of interest and how to handle complaints.
Body politic (government entity)	<ul style="list-style-type: none"> Australian, state and territory or local government entity—evidence that the person has authority to apply (for example, delegation letter). Local government entity—an extract of relevant legislation. This should set out the way the council can enter into contracts.

If a person operates a business in Australia and does not trade under their own name, they need to register a business name with the Australian Business Register.

What happens after an application has been made?

Once a complete application is received, the Department of Education will consider whether the application contains the information required for the department to undertake an assessment. If the application is not complete, the department will notify the applicant that the application is incomplete but is not obliged to invite the applicant to submit the missing information and documents.

There is no set time for the department to complete an application assessment.

The effective start date for approval for Child Care Subsidy may be backdated to the date the application was submitted.

If a provider is approved with respect to one or more services, it will hold that approval subject to a range of conditions of approval set out in Family Assistance Law (see [Appendix E](#)).

Additional conditions may also be placed on an approval on a provider-by-provider or service-by-service basis. To maintain approval, the provider must comply with all those conditions.

If an application is refused and the applicant is not satisfied with the decision, after considering the reasons given, they can ask the Department of Education for an internal review.

If the applicant is not satisfied with the outcome of an internal review, they can ask for review by the Administrative Appeals Tribunal at www.aat.gov.au or make a complaint to the Commonwealth Ombudsman at www.ombudsman.gov.au.

Specified personnel

Who are specified personnel?

People managing or employed in child care in roles regarding the approval and operation of a service are permitted to undertake related actions through the Child Care Subsidy System, as set out in Table 3. They therefore need to be identified in either:

- the application for provider approval
- later notifications to the Department of Education, if not employed or engaged at the time of approval (see [What notice needs to be given?](#) at page 72).

Table 3: The roles of people employed in or managing child care and the actions they are each allowed regarding the Child Care Subsidy System

Role	Allowed actions in relation to the Child Care Subsidy System
<p>Persons with management or control of the provider</p> <p>The following people are persons with management or control of the provider:</p> <ul style="list-style-type: none">• a member of the group of persons responsible for the executive decision of the provider• a person who has authority or responsibility for, or significant influence over, planning, directing or controlling the activities of the provider• a person who is responsible for the day-to-day operations of the provider (whether or not the person is employed by the provider)• a person who is responsible for the day-to-day operation of a child care service, for which the provider is approved or seeking approval (whether or not the person is employed by the provider). <p>In other words, these are people who participate directly or indirectly in the decision-making or management of the provider (the legal entity) that operates the child care service.</p> <p>Depending on the structure of the organisation and involvement of the individual, this may include the executive officers, board members, officers of the body corporate, the partners or a member of the organisation's governing body and persons in management positions.</p>	<p>These people may (subject to their authority and capacity to do so within the provider's organisation):</p> <ul style="list-style-type: none">• change bank account details and other information regarding the child care service• add and remove other persons, such as persons responsible for the day-to-day operation of the service, from the Child Care Subsidy System• authorise data submission transactions to the Child Care Subsidy System• notify the Department of Education of the cessation of operations• apply to add or remove a service.

Role	Allowed actions in relation to the Child Care Subsidy System
<p>Person or persons responsible for the day-to-day operation of the service</p> <p>These are persons nominated by a person with management or control of the provider to be responsible for day-to-day operation of the service.</p>	<p>When nominated to do so by the persons with management or control of the provider, they may:</p> <ul style="list-style-type: none"> • add and remove persons responsible for the day-to-day operation of the service and service contacts • authorise data submission transactions to the Child Care Subsidy System • notify the Department of Education of changes regarding the service for which they are responsible, excluding bank account details and cessation of operations.
<p>Service contacts</p> <p>These are people nominated by the persons with management and control of the provider or responsible for day-to-day operation of the service who are authorised to discuss family entitlements and transaction processing results with the Department of Education.</p>	<p>They can notify the Department of Education of non-financial contact details, including addresses and phone numbers, but they cannot notify the department about any other changes to information about a service.</p>
<p>Family Day Care educators</p> <p>These are people contracted, engaged or employed by a Family Day Care provider to provide care for children and record attendance information.</p>	<p>Family Day Care educators are specified personnel, but they do not interact directly with the Child Care Subsidy System (in their capacity as a Family Day Care educator).</p>
<p>In Home Care educators</p> <p>These are people contracted, engaged or employed by an In Home Care provider to provide care for children and record attendance information.</p>	<p>In Home Care educators are specified personnel, but they do not interact directly with the Child Care Subsidy System (in their capacity as an In Home Care educator).</p>

Who needs to be a fit and proper person?

The following people (or entities) are required to be fit and proper persons to be involved in the receiving and passing on of the Child Care Subsidy and the Additional Child Care Subsidy:

- the provider itself
- any person with management or control of the provider
- any person responsible for the day-to-day operation of a child care service.

In practice, this encompasses (but is not limited to) a child care provider's directors, managers and staff (and board members where applicable), staff with management or control and people responsible for the day-to-day operation of the service.

Whether or not a person is a fit and proper person is determined based on Family Assistance Law, which sets out the matters that must be considered in making this determination. (see [What matters should be considered?](#) on page 30).

Staff not identified in these specified personnel roles but who deliver care to or interact with children at the service must be suitable to do so. However, their suitability relates not to the administration of payments but to the safety of children and the quality of care provided (as this is what their role is about). As such, their suitability requirements are governed by the child care licensing laws and regulations of the state regulatory body in the state or territory in which the service is located. Information about these requirements can be obtained directly from state and territory regulatory authorities.

What matters should be considered?

When determining whether a person is a fit and proper person to be involved in the administration of the Child Care Subsidy and the Additional Child Care Subsidy, matters involving fraud, dishonesty, financial management, compliance with the law and administration of funds are all relevant considerations. Matters considered in determining whether someone is a fit and proper person include:

- evidence of activity that does not comply with criminal or civil law, including (but not limited to) activity related to children or indicating dishonesty or violence
- court proceedings and convictions or findings of guilt, including (but not limited to) activity related to children or indicating dishonesty or violence
- any past administrative decisions relating to a person's suitability to be involved in child care
- evidence of fraud or dishonesty
- the person's history of managing public funds; and any past or current debts to the Commonwealth
- the person's record of financial management, including any instances of bankruptcy, insolvency or external administration
- any potential conflicts of interest between managing or delivering the child care service and other business or financial interests of the person
- any other matter relevant to the suitability of the provider and their staff.

Specified personnel must be fit and proper persons, regardless of whether they are required to use the Child Care Subsidy System.

What background checks are required?

Under Family Assistance Law, providers are required to undertake certain background checks of:

- each person who has management or control of the provider
- each person who has responsibility for the day-to-day operation of the service
- Family Day Care educators (if any)
- In Home Care educators (if any).

The background checks for each specified person are set out in Table 4.

The provider must be able to provide a written record of these checks, including the evidence provided in support of the applications, at any time if requested.

In addition, providers are required to keep the department notified of certain circumstances, including for these persons—such as if the provider is aware of any event or circumstance that may indicate the person is not a fit and proper person (see **What notice needs to be given?** at page 72).

A police check must be no more than six months old, and other checks no more than three months old, at the time of the application or the engagement of additional specified persons by the provider. However, new checks are not required every three or six months.

Working with children cards (where required) must always be kept current. Expired cards are unacceptable.

Table 4: The roles of people employed in or managing child care and the checks required to determine they are fit and proper persons

Checks required	A person with management or control of the provider	A person with responsibility for day-to-day operation of the service	A Family Day Care or In Home Care educator
A National Police Certificate from the state or territory police service (or an agency accredited by the Australian Criminal Intelligence Commission) no more than six months before the date of the application.	✓	✓	✓
A working with children card (if required to hold one).	✓	✓	✓
A National Personal Insolvency Index check performed using the Bankruptcy Register Search service provided by the Australian Financial Security Authority.	✓		
Evidence that the person does not appear on the banned and disqualified register held by the Australian Securities and Investments Commission.	✓		
A current and historical personal name extract search of the records of the Australian Securities and Investments Commission.	✓		

Adding or removing a service

An approved provider can operate one or more approved child care services. The service or services it operates need to be approved and are linked to its provider approval. To maintain its approval, a provider must operate at least one approved service.

How is a service added to a provider approval?

Applications to add or remove a service are made through the provider's child care software (if the child care software can provide this function) or the PEP.

An application to add a service to an existing provider's approval must include:

- the provider ID number
- the applicant's name and contact details.

For each service to be added, the application must include:

- the proposed name of the service (if a business name has been registered with the Australian Securities and Investments Commission, use that name)
- any related approval number issued by a state or territory regulatory authority
- the type of service being applied for
- the physical and postal address of the service
- the name and contact details for each person responsible for the day-to-day operation of the new service.

For each person responsible for the day-to-day operation of the service who is to be added, the application must include:

- an Australian National Police Criminal History Check obtained from the relevant state or territory police service, or an agency accredited by the Australian Criminal Intelligence Commission, obtained no more than six months before the date of the application
- where the application relates to a Family Day Care or In Home Care service, a declaration that all proposed educators are fit and proper persons, including any prior actions involving fraud or dishonesty and their capacity to comply with Family Assistance Law.

The department will assess whether the service eligibility rules are satisfied for the service the provider seeks to add to its approval (see [Appendix D](#)).

Can an existing service be purchased by a new provider?

Approved services can only be operated by approved providers and the provider must continue to operate the same type of service that was approved. This means that, if a service is sold by one approved provider to another provider, the new provider will need to seek approval under Family Assistance Law, firstly to be approved as a provider (if it is not already approved) and secondly to be approved for that type of service.

How is a service removed from a provider's approval?

An application to remove a service from a provider's approval must contain:

- the provider ID number
- the applicant's name and contact details.

For each service to be removed, the application must include:

- the service ID number
- the reason for removing the service
- the requested end date for the service approval.

A provider must continue to operate at least one approved service to maintain its provider approval. The Secretary of the Department of Education is required to cancel the approval of a provider if it does not operate any approved services.

Enrolling children

This chapter sets out the steps that need to be taken to put in place an arrangement with the individual responsible for the child—usually a parent—and the process for enrolling that child.

This chapter has the following sections:

- The enrolment process
- Special arrangements
- Updating and ending arrangements and enrolments
- Managing child care places.

The enrolment process

What is an enrolment?

Enrolling children is a requirement under Family Assistance Law for all children who attend child care (or have an arrangement for care) regardless of their parent's or guardian's eligibility for Child Care Subsidy.

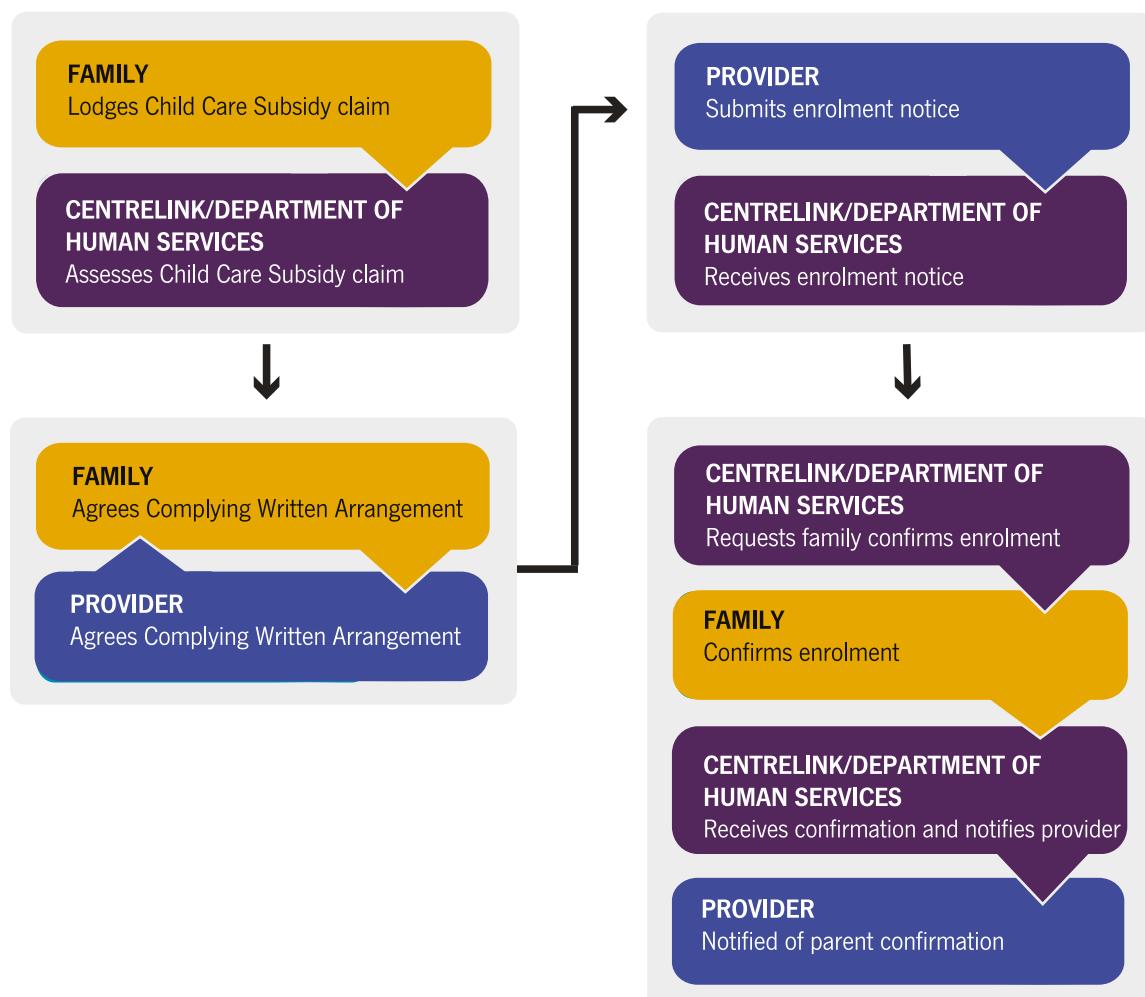
For eligible individuals and children, entitlement decisions will not occur without the right enrolment in place. An enrolment links the child, the individual claiming the subsidy and the child care service.

Providers must lodge an enrolment notice (through their child care software or the PEP) in the Child Care Subsidy System to show they have made an arrangement with an individual or organisation and a child is enrolled. Once a provider has lodged an enrolment notice, they must report attendance for that child (see [Reporting sessions of care](#) at page 51).

Providers may need to provide several enrolment notices for a child if there is more than one arrangement to provide care for that child (because those arrangements are considered different enrolments under Family Assistance Law)—for example, where either:

- a child is a dependent child of two families, such as when separated parents share care for a child
- the fees for some sessions of care provided to a child are paid by a third party (such as an employer) and other sessions are paid by the parent(s).

Figure 3: Steps in the enrolment process



Step 1—The individual makes a claim for Child Care Subsidy with Centrelink

While making a claim for Child Care Subsidy is a prerequisite for a family to receive Child Care Subsidy and is addressed as the first step in the process, an enrolment can be created before an individual has lodged a Child Care Subsidy claim or while Centrelink is assessing their claim.

Child care providers are not directly involved in claiming Child Care Subsidy. The individual or their partner must make a claim and be determined to be eligible. The family should create or access their Centrelink online account to lodge a Child Care Subsidy claim for each of their children.

Where possible, providers should encourage parents to lodge their claim before enrolling their child. A Child Care Subsidy claim can stay active for a year without any sessions of care being reported for the child.

However, Child Care Subsidy claims can only be backdated for a maximum of 28 days before the claim was made. If a child is enrolled and starts attending care before a claim is made, and the claim is delayed, Child Care Subsidy will not be paid for sessions of care that took place more than 28 days before.

Any back payment of subsidy that is payable for the 28-day period before a claim was made will generally be paid to the individual, not the provider (see [Are any payments made to families?](#) at page 60). This reflects the expectation that until a family's claim is finalised and the provider knows they are eligible for Child Care Subsidy (and what their entitlement is) the provider will charge the family full fees for care provided.

Centrelink will check and confirm the eligibility of the individual and child for Child Care Subsidy (see [Eligibility for Child Care Subsidy](#) at page 76).

Families must update Centrelink on any changes to their income, activity and other circumstances. They can do this through their Centrelink online account. Providers do not need to obtain, record or submit this information.

Who is the individual responsible for the child's care?

The individual is the person responsible for a child's care and the person who must pay child care fees. They may be the adult legally responsible for the child's care or their partner.

In many cases, the individual is the child's parent. However, the individual may be another adult who is legally responsible for the day-to-day care, welfare and development of the child. They could be the partner of the child's parent, an adoptive or foster parent, a grandparent or other relative of the child. One or more individuals may be responsible for the child's care and liable to pay the child care fees.

Only individuals are eligible for Child Care Subsidy or Additional Child Care Subsidy. Where another party, such as the state, an employer or another organisation is paying all or part of a child's child care fees, no subsidy can be paid for the fees paid by the other party.

What happens when the individual is the child's grandparent?

In cases where the individual is the child's grandparent (or great grandparent), they may be eligible for and receive Child Care Subsidy or Additional Child Care Subsidy (grandparent).

Child Care Subsidy can support:

- grandparent principal carers not on income support
- grandparents who are not principal carers of their grandchildren but have regular or shared care of the child (that is, they care for them between 14 and 64 per cent of the time).

Additional Child Care Subsidy (grandparent) can provide more support where the grandparent (or great-grandparent) is the principal carer of their grandchild, has substantial autonomy for the day-to-day decisions about the child's care, welfare and development, and is on income support. For more information, see [Appendix B](#).

Step 2—The provider and individual agree an arrangement for care of a child

The provider must first enter into an agreement with the individual on the planned arrangements for care of a child.

The agreement through which families can receive Child Care Subsidy is called a Complying Written Arrangement. A Complying Written Arrangement is an agreement to provide care in return for fees. Complying Written Arrangements must have certain information (as set out in Table 5). If the Complying Written Arrangement includes this information in writing, it can be made through the same enrolment form or process the provider uses to enrol a child.

An arrangement must be recorded, either on paper or electronically, and must be kept by the provider. An arrangement can cover more than one child if multiple children in a family will attend the same child care service (each child must have their own enrolment).

What types of arrangement are there?

There are four types of arrangement:

- Complying Written Arrangement
- Relevant Arrangement
- Additional Child Care Subsidy (child wellbeing)—provider eligible arrangement
- arrangement with an organisation (third party).

These are explained further in Table 5.

Table 5: The different types of child care arrangements with details of each and information about whether Child Care Subsidy is payable

Arrangement type	Description	Is Child Care Subsidy payable?
Complying Written Arrangement	<p>A Complying Written Arrangement must include the following information:</p> <ul style="list-style-type: none">• the names and contact details of the provider and the individual(s)• the date the arrangement starts• the name and date of birth of the child (or children)• if care will be provided on a routine basis and if so<ul style="list-style-type: none">– details about the days on which sessions of care will usually occur– the usual start and end times for these sessions of care– whether care will be on a casual or flexible basis (in addition to, or instead of, a routine basis)• details of fees charged under the arrangement (providers can reference a fee schedule or information available on their website), which the parties understand may vary from time to time. <p>Additional information can be included to support the individual's understanding of their payment obligations.</p>	Yes—Child Care Subsidy or Additional Child Care Subsidy

Arrangement type	Description	Is Child Care Subsidy payable?
Relevant Arrangement	An arrangement between the provider and individual for the care of a child that does not meet the full requirements for a Complying Written Arrangement. No Child Care Subsidy can be paid for care provided under this type of agreement. This type of enrolment notice is used only where a provider is sure that the family does not wish to claim Child Care Subsidy.	No
Arrangement with an organisation (third party)	An arrangement between the individual(s) and another party (for example, an employer, other organisation, or the state—such as for participants in the Adult Migrant English Program) where the other party is liable for the fees for care of the child.	No

For any kind of arrangement, an enrolment notice is required for each child attending the service.

The enrolment notice will reflect the type of arrangement that is in place between the provider and the family/individual or organisation.

For a Relevant Arrangement, or an arrangement with an organisation, the provider invoices the individual or the organisation for the full fee as agreed in the arrangement, because no subsidy applies. An enrolment notice must be submitted for a Relevant Arrangement.

Do individuals need to sign a Complying Written Arrangement?

There is no requirement for individuals to sign a Complying Written Arrangement. However, they must confirm their agreement to the terms in writing. This can be done either electronically (for example, via email or software system) or in hard copy.

Once a provider enters into a Complying Written Arrangement with an individual, they must submit an enrolment notice within seven days of the end of the week in which the arrangement started.

If a provider enters into a Complying Written Arrangement more than eight weeks before the child starts care, the enrolment will cease in the system before the child starts care. Therefore, the provider and individual would need to re-establish the Complying Written Arrangement and the provider would need to submit another enrolment notice. The Complying Written Arrangement would need to contain up-to-date details (where any have changed). At minimum, a new start date for the arrangement would be needed.

A practical alternative is for providers to collect the information required for a Complying Written Arrangement but wait to finalise the arrangement until less than eight weeks before the child starts care.

SCENARIO

Waiting to agree to a Complying Written Arrangement

Evan's mum, Gloria, wants Evan to go to child care as soon as they return from their overseas trip in three months' time. The child care centre's enrolment form includes the Complying Written Arrangement. Gloria completes the enrolment form but does not yet indicate her agreement. A week before returning to Australia, Gloria emails the child care centre indicating her agreement to the terms set out in the Complying Written Arrangement.

Parents can indicate their agreement to a care arrangement by using either a hard copy form or an electronic process established by the provider.

Do fees need to be included in a Complying Written Arrangement?

Child care fees must be part of the arrangement with a family, and fee information must be included in the enrolment notice.

Fees are agreed between the provider and family. The Australian Government does not play any role in fee setting. There are no set minimum or maximum fees that the provider may charge, but there are caps on the amount of subsidy which may be paid by the Australian Government. These are set out in [Appendix A](#).

Where an individual must pay a range of different fees or discounts and surcharges apply at certain times, providers can include a fee schedule to the Complying Written Arrangement (that is updated as needed).

It is important that parents understand and agree to the arrangement they are making, including the fees they will pay and how these could vary. This is good business practice and can help avoid disputes. It will also reduce the chance of the enrolment confirmation process (see [Step 4—The individual confirms the enrolment](#) at page 40) being delayed due to a parent not understanding details.

Can an arrangement cover both routine and casual care?

A Complying Written Arrangement needs to clearly say how care will be provided. This includes whether the arrangement includes routine sessions (booked days), is casual only or is a mix of both. If there are routine sessions, the arrangement must state the usual days and session times.

If casual care is included in the arrangement, it should set out the terms of care (for example, if fees are different to routine sessions, whether there is a minimum period of care, that it is subject to availability and so on).

Establishing the routine sessions in a Complying Written Arrangement does not remove flexibility for the child to attend on other days (for example, when the parent wants to work an extra shift) or not attend on routine days (for example, where the family is on holidays) as agreed with the provider.

If parents do not know whether, or when, they might use casual sessions of care, by including casual session fees in the Complying Written Arrangement parents can understand and confirm the fees that will be charged if they ever happen to use a casual session.

SCENARIO

Permanent and casual care

Peter is entering into a Complying Written Arrangement with his son Neal's child care provider. The Complying Written Arrangement includes routine sessions (booked days) for Monday to Wednesday, as Peter works at the office on these days and from home on Thursday and Friday. However, Peter will occasionally need to set either Thursday or Friday aside to visit clients, and the Complying Written Arrangement reflects the need for casual care on occasions. The Complying Written Arrangement identifies the fees for both routine sessions of care and casual sessions of care.

Step 3—The provider submits an enrolment notice

Once the provider has made an arrangement with an individual, they can create a new enrolment notice through their child care software or the PEP.

The provider must submit an enrolment notice for each child at each service. If an arrangement covers more than one child, or more than one service, a separate enrolment notice must be provided for each child at each service.

When is an enrolment notice required?

An enrolment notice must be submitted within seven days from:

- the end of the week in which the provider and family made an arrangement
- the provider or service being approved (if this occurs after the start of the arrangement or attendance), or
- the end of a suspension of service (if the Department of Education has suspended the approved service and the enrolment occurred during the suspension).

What information is required for an enrolment notice?

All the information set out in Table 6 is required for an enrolment notice related to a Complying Written Arrangement.

Some of the information will not apply to enrolments related to other types of arrangement—once a type of arrangement is selected, the child care software or PEP will automatically request the information related to that arrangement type.

Through their child care software or the PEP, providers will be able to view, create, update or cease enrolments for all children attending their service(s). Providers will also be able to see the complete enrolment history (all current and ceased enrolment notices) for each child enrolled with them.

Table 6: The information required for an enrolment notice related to a Complying Written Arrangement

Category	Details to be provided
Enrolment circumstances	<p>Whether either:</p> <ul style="list-style-type: none">• an arrangement for care has been made• a certificate or determination has been made for Additional Child Care Subsidy (child wellbeing). <p>Whether the arrangement is any of the following:</p> <ul style="list-style-type: none">• a Complying Written Arrangement• a Relevant Arrangement• Additional Child Care Subsidy (child wellbeing)—provider eligible• an arrangement with an organisation (third party).
Expected pattern of care	<p>Whether this includes any of the following:</p> <ul style="list-style-type: none">• routine sessions, with possible casual care• casual enrolment—no routine sessions are included• routine sessions only—casual care is not included.
Dates	<ul style="list-style-type: none">• Date the care arrangement was made.• End date for the arrangement (not mandatory—if known at the time the arrangement was created).

Category	Details to be provided
Parties to the arrangement	<ul style="list-style-type: none"> Names of individuals (or organisation) who have made the arrangement—usually the same as the Child Care Subsidy claimant, but it can be someone else (for example, where one parent is the Child Care Subsidy claimant, but the other parent enters into the arrangement with the service to provide care). If both parents are parties to the arrangement, enter the parent who is also the Child Care Subsidy claimant.
Child receiving care	<ul style="list-style-type: none"> Child's name. Child's Customer Reference Number. Child's date of birth.
Service providing care	<ul style="list-style-type: none"> Service ID. Regular educator (mandatory for Family Day Care).
Child Care Subsidy claimant	<ul style="list-style-type: none"> Individual's name. Individual's Customer Reference Number. Individual's date of birth.
Session details and liability	<ul style="list-style-type: none"> Day of routine sessions. Session start time. Session end time. Routine session—usual fee (hourly fee or session fee); casual session (if applicable)—hourly or session fee.

Under Family Assistance Law, a person may commit an offence and is liable for a civil penalty if the person does not give the Department of Education:

- an enrolment notice within the required time and containing the required information
- notice of entering into a Relevant Arrangement within the required time and containing the required information.

Step 4—The individual confirms the enrolment

After the provider submits an enrolment notice for a child, the individual will be notified and asked to check the main enrolment notice details. This will occur through their Centrelink online account. Where an individual cannot access myGov, they can confirm their enrolment over the phone with Centrelink or by visiting a Centrelink office.

The individual must then indicate that either:

- the enrolment details are correct
- one or more enrolment details are incorrect (do not reflect their arrangement)
- the child is not enrolled at the service.

Providers can enter information (detailing the care provided) before the individual reviews the enrolment and responds. Once the enrolment is confirmed, entitlements to Child Care Subsidy and Additional Child Care Subsidy will be calculated and child care fee assistance payments can begin.

Providers will be notified through their child care software or the PEP when an enrolment has been confirmed.

What happens if there is a disagreement over an enrolment?

If an individual disagrees with the details of an enrolment at the point of enrolment confirmation, they can send details of the disagreement back through their Centrelink online account and these will be sent on to the provider. After reviewing the details in dispute, the provider can either:

- agree there was an error and submit an updated enrolment notice with the correct information, or
- state that the details are correct, meaning the individual has misread or misunderstood the details in dispute.

If the provider maintains that the original details are correct, the provider must contact the individual to resolve the matter before resubmitting the enrolment notice.

In either case, the enrolment will go back to the individual for confirmation.

While a dispute is being resolved, the provider can continue to care for the child and must submit session reports (see [Reporting sessions of care](#) at page 51), although payments will not be processed by the Australian Government for those sessions. Once the disagreement is resolved and the enrolment is confirmed, child care fee assistance payments will be processed. Provided the individual has claimed and was eligible for Child Care Subsidy during this period, these payments will be made to the provider.

The enrolment confirmation process also allows the individual to state that their child is not enrolled at the service (as opposed to one or more of the enrolment details being incorrect). Providers will receive a notification if this occurs.

If an individual indicates the child is not enrolled, session reports will not be accepted for that enrolment (and payments will not be made). If the provider maintains the child is enrolled and the individual has made a mistake, the provider must contact the individual to explain and resolve the matter and must then submit a new enrolment notice (to be confirmed by the individual).

Special arrangements

What arrangements and enrolments are required when there is shared care?

If a child's parents are separated and both individuals (or their new partners) are responsible for part of the cost of the child's child care fees, each individual must make their own claim for Child Care Subsidy and must enter into their own Complying Written Arrangement with the provider (or providers). Where one parent already has a Complying Written Arrangement in place with the provider, that Complying Written Arrangement must be varied in writing.

Each parent will be assessed separately for Child Care Subsidy based on their individual income and activity levels.

Child Care Subsidy is payable for up to 42 absence days for a child in a financial year for sessions of care (see [Reporting absences](#) at page 53). These 42 absences are for each child (not each claimant), so this number of days remains the same regardless of the number of claimants for the child.

Where families have separated after the Complying Written Arrangement has been made, the parent who is the Child Care Subsidy claimant must notify Centrelink of this change. Where the other parent, who is not the Child Care Subsidy claimant, also wishes to claim Child Care Subsidy for care provided to the child, that parent must make their own claim for Child Care Subsidy based on their own income and activity levels.

If parents separate while their child is receiving care under a Complying Written Arrangement, they should advise their provider (as well as Centrelink) of the separation as soon as possible. The provider must create a new enrolment notice for the parent who was not the Child Care Subsidy claimant for the child where that parent will be paying any of the cost of the child care fees.

Once parents have separated and have been separately assessed for Child Care Subsidy by Centrelink, payments will be calculated for each parent. Maximum hours and annual caps will apply to each parent separately depending on their circumstances, activity and income.

The provider of the approved child care service providing care to the child must ensure that the child's attendance for each session of care is submitted under the enrolment for the parent with whom they have an arrangement, and who is responsible for paying the fees for, that particular session of care. For example, if the child's mother is responsible for paying fees for sessions of care provided on Monday to Wednesday, and the father is responsible for paying fees for sessions of care provided on Thursday and Friday, a session of care provided on Monday must be submitted under the mother's enrolment.

If parents do not inform the provider of their changed circumstances then it is the parents' responsibility to resolve any disputes they may have between themselves regarding Child Care Subsidy payments and fees.

SCENARIO

Changing an enrolment for shared care

Julia's parents have separated and have agreed to both being equally responsible for Julia's child care fees. Previously Julia's mum was the individual claimant of Child Care Subsidy. Julia's mum sends an email to her child care provider advising of the change.

Julia's child care provider lets Julia's mum know that they must update the Complying Written Arrangement and enrolment notice for Julia. Julia's child care provider also tells Julia's mum that Julia's dad must claim Child Care Subsidy with Centrelink and have a Complying Written Arrangement and enrolment notice for Julia.

Julia's child care provider arranges for a time to meet with Julia's mum and dad and discusses the new arrangements with them. Julia's child care provider also notes which child care sessions each parent will be paying for in their respective Complying Written Arrangement so that they can submit attendances against the correct enrolment notice.

What arrangement and enrolment is required if a third party pays fees?

Child Care Subsidy is only payable for the child care fees that individuals are genuinely liable to pay.

If a third party pays the whole fee for all sessions on behalf of an individual, the provider must create an arrangement with an organisation (third party) enrolment for the child.

If the third party pays the whole fee for some sessions but not others, the provider can report all sessions under a Complying Written Arrangement enrolment. Where this occurs the fee reported for the sessions paid for by the third party must be zero because this is the amount the parent is liable to pay.

Alternatively, the provider can create two enrolments (a Complying Written Arrangement enrolment and an arrangement with an organisation (third party) enrolment) and report sessions paid for by the parent and third party separately.

Updating and ending arrangements and enrolments

When should an arrangement and enrolment be updated?

Where there are changes to the arrangement for care between the provider and an individual, the provider must update the arrangement in writing (electronic or hard copy).

The provider must update an enrolment notice if:

- the individual disagrees with details of an enrolment and the provider agrees an update is required
- an arrangement for care is changed at the request of, or in discussion with, the individual (and this has been updated in the Complying Written Arrangement)
- the provider finds out that the information provided in an enrolment is (or becomes) wrong either at the time of or after the enrolment notice was created
- the arrangement for care ends.

The corresponding enrolment notice must be updated in the Child Care Subsidy System within seven days of the change or event which caused the change to the arrangement.

Providers should update an existing enrolment notice through their child care software or the PEP by updating only the fields where information has changed and submitting the update.

Under Family Assistance Law, a person may commit an offence and is also liable for a civil penalty if the person does not give the Department of Education, within seven days, notice that:

- information in an enrolment notice has become incorrect, or
- information has become available that should have been included in the enrolment notice.

A provider may also be liable for a civil penalty if it does not ensure that variations to a Complying Written Arrangement are in writing if that information becomes incorrect.

Do parents need to confirm an updated enrolment?

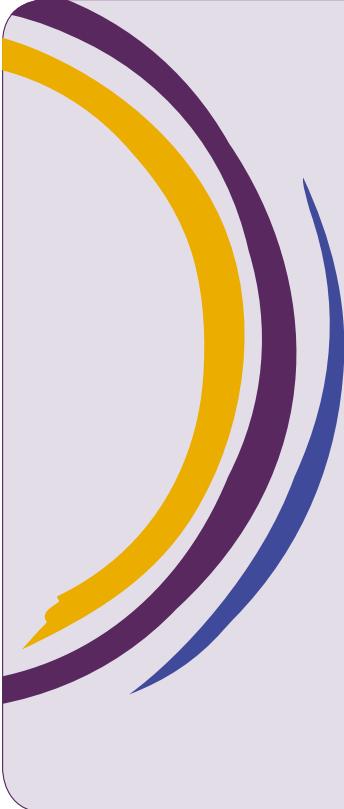
The individual will receive a notice when their enrolment is updated, but they will not usually be required to confirm updates. Individuals can review the updated details and may disagree with the update if they believe it does not reflect the terms of their Complying Written Arrangement. The provider will be notified if an individual disagrees with an update to an enrolment.

Where an individual disagrees with the enrolment update, Child Care Subsidy will not be paid for sessions of care submitted for that enrolment (after the disagreement occurs) and will be processed only when there is agreement. An individual can disagree with parts of an enrolment at any time (not just when a new enrolment is created) through their Centrelink online account.

When does an enrolment end?

Where an enrolment has an end date, the provider will be notified through the Child Care Subsidy System four weeks before that date. If care is going to continue under the arrangement, the enrolment end date must be updated or else the arrangement will end. If that happens, the child will need to be re-enrolled and a Complying Written Arrangement will need to be re-established.

An enrolment will end for Child Care Subsidy purposes if a child does not attend a session of care for eight continuous weeks. The provider will be notified after four weeks of no sessions of care being reported. If the child starts attending the service again after eight weeks or more, the provider will need to re-establish the Complying Written Arrangement with the individual and submit a new enrolment notice.



SCENARIO

Re-establishing the Complying Written Arrangement

Katie's child care provider has not provided a session of care for Katie for more than eight weeks due to an extended holiday. As more than eight weeks has passed since Katie last attended a session of care at the service, she has ceased to be enrolled with the service. On their return, Katie's mum calls the provider to see if Katie can return to care. There is a vacancy and the provider and Katie's mum decide to meet.

Katie's mum and the provider look at her previous Complying Written Arrangement and decide it will cover Katie's child care needs. The provider updates the fees as well as the arrangement start date in the Complying Written Arrangement. Katie's mum agrees with the change, and it is updated on the computer. Katie's mum takes a copy of the Complying Written Arrangement with her to review and then emails the provider saying that she agrees to the new Complying Written Arrangement.

The provider submits a new enrolment notice, which Katie's mum confirms, and Katie returns to care on the agreed date.

No Child Care Subsidy or Additional Child Care Subsidy is payable for any session of care that occurs after the last day a child physically attended care at the provider.

This means that if a provider submits absences for a child after the last day a child physically attended child care, no Child Care Subsidy or Additional Child Care Subsidy is payable for those absences, and any Child Care Subsidy or Additional Child Care Subsidy that is paid for these absences must be returned to the Australian Government.

This also applies to enrolment notices which are automatically ended by the Child Care Subsidy System or where the provider ends an enrolment notice by updating it with an end date.

How is an arrangement and enrolment re-established once ended?

The process to re-establish a Complying Written Arrangement can be streamlined—for example, where parents only use vacation care during school holidays. For example, providers and parents can simply confirm that terms of the previous Complying Written Arrangement for the previous vacation care period will apply to the new enrolment and update relevant details, such as changes in fees or sessions of care, if required, when preparing the new Complying Written Arrangement. At a minimum, the new Complying Written Arrangement will need a new start date, which is the date the provider and parent re-establish the arrangement.

Once the Complying Written Arrangement is re-established with the parent, the provider can submit the enrolment notice for the upcoming period. The process to generate and submit a new enrolment notice in the Child Care Subsidy System for a child who was previously enrolled at the same service may also be streamlined—for example, by pre-filling the new notice with appropriate details from the child's previous enrolment. This will be a new enrolment in the Child Care Subsidy System, therefore, the parent will need to confirm the enrolment before Child Care Subsidy can be paid to their provider on their behalf. Parents can do this through their Centrelink online account.

As this process will vary depending on the software being used to submit enrolments, providers should check with their child care software provider if they are unsure how this process works for their service.

Managing child care places

How many child care places can be offered?

Providers must work within any limits on the number of services, places or educators that are imposed as part of its approval by its state or territory authority. Additionally, limits on child care places are currently applied to In Home Care (see the *In Home Care National Guidelines* and *In Home Care Handbook*) through a legislative instrument.

The Australian Government collects information about child care vacancies and makes it available to families on the Child Care Finder website at www.childcarefinder.gov.au (see **What notice needs to be given?** at page 72).

Providers are required to update their vacancy and fee information, either through their child care software or in the PEP, each week. Services that have updated all their details get priority placement in the search result rankings within Child Care Finder.

Do vacancies need to be prioritised?

There are no requirements for filling vacancies. Providers can set their own rules for deciding who receives a place.

Providers are asked to (but are not legally obliged to) prioritise children who are:

- at risk of serious abuse or neglect
- a child of a sole parent who satisfies, or parents who both satisfy, the activity test through paid employment.

This meets the Australian Government's aims of helping families who are most in need and supporting the safety and wellbeing of children at risk.

Managing and reporting sessions of care

This chapter sets out what a session of care is and what you need to do to ensure the sessions of care you provide are managed and reported correctly. This chapter also provides you with information on absences and business continuity payments.

This chapter has the following sections:

- Sessions of care
- Reporting sessions of care
- Reporting absences
- Other matters.

Sessions of care

What is a session of care?

A session of care is the minimum period that a provider charges an individual a fee for providing child care (not the period the child actually attends).

A session of care can be any length of time up to 12 hours, but it cannot exceed 12 hours. Where care exceeds 12 hours, this must be submitted as two or more sessions of care.

A session of care cannot generally be reported for care during a time when the service is not open and available to provide child care (except where the service is closed due to a public holiday or local emergency (see [Can an absence be reported for care when a service is closed?](#) at page 54)).

There is no eligibility for Child Care Subsidy or Additional Child Care Subsidy for a session of care in the circumstances described below. Reporting care where there is no eligibility for Child Care Subsidy or Additional Child Care Subsidy or where no care occurred may be an offence or breach of a civil penalty provision under Family Assistance Law.

The circumstances where there is no eligibility for Child Care Subsidy include where care is provided to a child:

- aboard a transportation vehicle (such as a bus), unless the transport is merely incidental to a session of care being provided (such as to take children on an outing)
- in a domestic living arrangement on residential premises which is the child's own home; or when the child's parent or other primary carer stays with the child while the care is taking place, except for care provided by an In Home Care service
- by an educator who does not hold a required working with children card/check (or equivalent) or where the card/check has been issued but the Department of Education has not been notified of the card details
- while the child is attending school or engaged in a formal schooling program (including a home schooling or distance education program) during any part of the session of care (for example, sessions of before and after school care should not be reported to overlap with the child's school hours).

Can care be provided by an educator to their own children or siblings?

There is no entitlement to Child Care Subsidy or Additional Child Care Subsidy for a session of care where a Family Day Care or In Home Care educator, or their partner, cares for:

- their or their partner's child, including a foster care child, adopted child, kinship child or child for which they otherwise have legal responsibility
- their or their partner's brother, sister, half-brother or half-sister, step-brother or step-sister, grandchild or great-grandchild, nephew, niece or cousin.

The rule does not apply to Centre Based Day Care or Outside School Hours Care educators.

Can care be provided by a Family Day Care service to a Family Day Care educator's child?

There is no entitlement to Child Care Subsidy or Additional Child Care Subsidy where a Family Day Care educator's, or their partner's, child is provided with care by a Family Day Care service on the same day that the Family Day Care educator (the parent of the child) also provides care for a Family Day Care service. However, there are limited exceptions to this rule where:

- the child has been diagnosed as having a medical condition listed in Schedule 1 or 2 of the Minister's Rules, documentary evidence of the diagnosis is provided to the provider, and the diagnosis was obtained within 24 months of providing the documentary evidence (unless the diagnosis is permanent)

- the service is receiving Inclusion Support Program assistance (see [Appendix F](#)) as part of providing care to the child and the child is undergoing assessment for disability, and documentary evidence has been provided to the provider
- the child lives in an area defined as being remote or very remote and documentary evidence has been provided to the provider
- the parent has provided documentary evidence to the provider that, at the usual time care is provided to the child, they were either
 - working (other than for an approved Family Day Care service) for at least two hours a day in paid work
 - enrolled in a course of study leading to a Certificate III level or above qualification and engaged in scheduled activities as part of that course while the child is in care.

In simple terms, a Family Day Care educator has no entitlement to Child Care Subsidy or Additional Child Care Subsidy for the care provided to their child by another Family Day Care educator on a day that they are providing care unless one of the above very limited exemptions applies.

Where an exemption does apply, records must be maintained so that the entitlement can be properly determined (see [When is a register of care required?](#) at page 71).

Can care be provided by relatives of the children?

Family Assistance Law limits the number of children to whom a Family Day Care educator can provide care at the service if they are related to the Family Day Care educator.

More specifically, the rule states that it is a condition for continued approval of a Family Day Care service that the provider ensures that less than 50 per cent of the children to whom any Family Day Care educator is providing care within any Child Care Subsidy fortnight at the service are related to the Family Day Care educator as a:

- niece or nephew
- cousin
- grandchild (including a great-grandchild).

It is important to note that:

- relatives of the children in care not listed above will not be treated as relatives
- relatives of a Family Day Care educator's partner (by either de facto or marriage) will be considered relatives of the Family Day Care educator
- the ratio of 'less than 50 per cent' is applied to the number of children cared for at the service across the whole Child Care Subsidy fortnight and not to one session of care.



SCENARIO

Care provided to relatives

Marta lives in a regional city and runs her newly established Family Day Care business four days per week from 6.30 am to 7.30 pm.

She has two children under school age who attend regularly four days per week and are not related to her. Her sister sends her four-year-old son (Marta's nephew) two days per week. Marta's sister would also like to enrol her new baby (Marta's niece) into care with Marta when she returns to work in a few months' time.

Under the rules for Family Day Care educators caring for children that are related to them, Marta would not be allowed to accept her niece as a child regularly in her care for two days per week, as this would equate to a ratio of 50 per cent of care provided to relatives within the fortnight.

Marta would need to provide care to at least one more non-related child on at least one day of the given fortnight to be able to care for both her niece and nephew.

Providers are responsible for ensuring they comply with this requirement, noting that it is a condition for continued approval. Providers are encouraged to:

- update policies and procedures to reflect the requirements
- communicate the requirement to all their Family Day Care educators and maintain direct contact with their educators affected by the requirement
- create a log for all their Family Day Care educators to sign to confirm they are aware of the requirement
- require Family Day Care educators to confirm on a regular basis (for example, every month) that they are not in breach of the requirement
- incorporate a question in the provider's Complying Written Arrangement and enrolment notice asking if the child is related to the educator so that the necessary information can be captured upfront
- ensure there is a log of any educators who are currently providing care to the specified relatives and the structure of that care across a given fortnight
- establishing a weekly or fortnightly reporting mechanism for educators to flag what, if any, care is being delivered to the specified relatives
- engage with the provider's child care software provider regarding the incorporation of a reporting mechanism into the attendance reporting system.

Reporting sessions of care

Why is accurate reporting important?

It is vital that a provider submits accurate session reports on time. This enables the Commonwealth to correctly calculate of the amount of Child Care Subsidy or Additional Child Care Subsidy (if any) that is payable for care provided to a child.

Inaccurate reports can result in incorrect Child Care Subsidy and Additional Child Care Subsidy and affect the eligible individuals and children to whom the care relates. Further, under Family Assistance Law, a person may commit an offence and is liable for a civil penalty if a session report is not submitted within the required timeframe (see below) and containing the required information (as set out in Table 7), including information needed to determine whether an individual is eligible for, or entitled to be paid, Child Care Subsidy or Additional Child Care Subsidy and, if so, the amount.

How is a session report submitted?

Sessions of care are reported through a provider's child care software or the PEP. Child Care Subsidy cannot be paid until a session report is received.

A session report must be submitted for each child for each week a session of care has been provided (including absences). It must contain at least one session of care for a week, recorded as either an attendance or absence. It must only include sessions of care for which an individual incurred a genuine fee liability.

Session reports must be accurate. If the Department of Human Services has concerns about the accuracy of session reports, it can stop processing payments until the information has been verified.

When are session reports submitted?

Session reports must be submitted within 14 days after the end of the week when the sessions were provided, except where:

- a provider or service was not yet approved, or was suspended, on the day the child's enrolment started.
In this case the session report must be provided within seven days after the end of the week in which the approval was provided or the suspension was revoked
- a provider has received business continuity payments because it is unable to provide session reports (such as because its system access is down). In this case, session reports must be submitted within 14 days after it becomes able to submit reports again.

What information is in a session report?

Session reports need to be provided for each child for each week that care is provided and need to include the details summarised in Table 7.

Table 7: Issues addressed and details of information required in the weekly session report

Issue	Details
Type of report	Can be: <ul style="list-style-type: none"> • initial report • variation (change) to a report, or • withdrawal of a report.
Dates	Start and end dates of the week the report covers.
Session details	Include: <ul style="list-style-type: none"> • date • session start and finish times.
Attendance times	Child's actual in and out attendance times must be reported for each session of care (except where an absence is reported).
Absences	Include: <ul style="list-style-type: none"> • notification of absences (if applicable) • a reason for any additional absence (where child has used more than 42 absence days in a financial year).
Actual fee charged	The actual fee charged must reflect the amount the parent was liable to pay for the session of care. <p>Where the parent directly benefits from another subsidy or discount that reduces their fee liability for the session (that the provider knows of), the amount in this field must reflect the remaining amount after the other subsidy or discount has been applied.</p> <p>Likewise, if the parent is not liable to pay the whole fee charged for the session (because a third party has accepted liability to pay some of the fee), this field must only reflect the portion that the parent is liable for.</p>
Other subsidies paid to the provider to reduce the individual's fee liability	Where the actual fee charged for the session was reduced by the amount of another subsidy that the parent directly benefited from (for example, employer contribution to parent's child care fees): <ul style="list-style-type: none"> • must indicate—yes/no. <p>If 'yes':</p> <ul style="list-style-type: none"> • name of the other subsidy payer • other subsidy amount—hourly or session amount.
Family Day Care and In Home Care	Educator—child care personnel ID.
Preschool	Whether the session was part of an early education program.

How is a session report varied?

If the provider realises a session report was incorrect or did not need to be submitted (for example, because no care was provided to a child in that week), it can vary or withdraw the report up until 28 days after the start of the week to which the report relates (or until the end of the financial year if that occurs sooner).

If a provider needs to withdraw or change a session report after the 28-day limit, it will need to provide a reason for the late change or withdrawal for assessment by the Department of Education.

The following reasons can be entered into the system for a variation or withdrawal of a session report:

- Administrative error—use where there was a mistake made in the original session report; for example, an incorrect session start time.
- Responding to carer's dispute—use where a parent has disputed a session report.
- General amendment—use where changes are being made before Sunday night of the session report week, before the report has been processed and Child Care Subsidy has been paid (for example, the child attends another session after report is submitted).
- Responding to 204C—only use where a 204C (compliance) notice has been issued requiring the provider to make a change to a session report.

Where a parent has not given the provider the correct Customer Reference Number of the parent who has made the claim for Child Care Subsidy, administrative error is the appropriate reason for the withdrawal of the incorrect session reports. This reason may apply to a wide range of circumstances and does not necessarily mean the provider is at fault.

If the Department of Education considers that a detail contained in a session report submitted by a provider might not be accurate, the department may require the provider to withdraw the report, vary it so that it becomes accurate or substitute it with an accurate report. The provider must do this within 14 days of the notice.

Reporting absences

Child Care Subsidy is payable for up to 42 absence days for a child in a financial year for sessions of care a child is enrolled in and did not attend, but only for sessions of care where an individual still incurs a genuine fee liability to pay for the care. A reason does not need to be provided for a child's initial 42 days of absence.

Once 42 absence days have occurred in a financial year, Child Care Subsidy can only be paid for any additional absences where they are taken for a reason set out in Family Assistance Law. These reasons are:

- the child, the individual who cares for the child, the individual's partner or another person with whom the child lives is ill and the service has been given a medical certificate by a medical practitioner
- the child is attending preschool
- alternative arrangements have been made on a pupil-free day
- the child has not been immunised against an infectious disease, the absence occurs during an immunisation grace period and a medical practitioner has certified that exposure to the infectious disease would pose a health risk to the child
- the absence is because the child is spending time with a person other than the individual who is their usual carer as required by a court order or a parenting plan, and the service has a copy of the relevant court order or parenting plan for the child
- the service is closed as a direct result of a period of local emergency
- the child cannot attend because of a local emergency (for example, because they are unable to travel to the service), during the period of the emergency or up to 28 days afterwards
- the individual who cares for the child has decided the child should not attend the service for up to seven days immediately following the end of a period of local emergency.

In shared care arrangements (where separated parents both claim Child Care Subsidy for the child's care), the 42 absences are allocated to the child, not to each individual parent.

Child care fee assistance is payable for sessions of care provided to a child for an attendance or an allowable absence and not on the number of places a child care service has available on a day. Therefore, where a child is absent from a session of care that was pre-booked and the provider charges the family and claims an absence on their behalf, the service can offer the absent child's place to another child.

Some services choose to apply discounted fees when children are absent, particularly when parents provide advance notice or the service is able to fill the absent child's place. This flexibility is strongly encouraged, and providers should consider this possibility when charging fees for days when children are absent.

If the fees are discounted, it is important to report the discounted fees to the department so that the correct Child Care Subsidy can be calculated based on the actual fee the parent is charged for that session.

Can an absence be reported for care when a service is closed?

If a service is closed for any reason other than a public holiday or a local emergency (as determined by the Department of Education state or territory office), the provider cannot report children as absent from care.

For example, if a service is closed for renovations on the premises or administrative reasons and the provider advises families that care is unavailable on that day, the provider cannot report children as absent and claim Child Care Subsidy for enrolled sessions of care.

Can absences be reported before the child first attends care?

Child Care Subsidy will not be paid for absences where a provider charges a family to reserve a place for a child who has not yet physically started care.

In addition, if a child is booked in to start at a service on a particular date but does not attend on that day, no Child Care Subsidy will be paid until the child physically attends a session of care.

Similarly, a child care service is taken to have permanently ceased providing care for a child on the day the child last physically attends a session of care under an enrolment. This means that absences submitted after a child last physically attends a session of care are not eligible for Child Care Subsidy.

If a family has confirmed their child's last day at a service, but that child does not attend their last booked session of care, no Child Care Subsidy will be paid for any days after the child's last physical attendance at the service.

If a provider continues to charge fees for sessions on days after a child has left the service because the family did not give the agreed period of notice, Child Care Subsidy will not be payable for these sessions of care. If absences are reported in the above circumstances and Child Care Subsidy is incorrectly paid, these amounts must be remitted to the Department of Human Services and if not will be recovered from the service.

How should long absences be managed?

If a long absence from care is anticipated, the plan for this, and how it will be managed, can be specified in the Complying Written Arrangement (including, for example, any changes to fees). However, where a child does not attend a service within a period of eight weeks or more, the enrolment will be ceased. Even where an absence longer than eight weeks is planned in the Complying Written Arrangement, a new enrolment notice will need to be submitted when care recommences after the absence. If a long absence is planned, the family may prefer to end the enrolment and submit a new notice when physical attendance recommences so that the child is not reported as absent (using up the child's initial 42 days of absence).

Other matters

How is care outside routine session times reported?

Where a service starts to provide care earlier or continues to provide care later than usual (that is, outside the routine session times the parent has agreed to), the provider is still required to report accurate information about the period of care the parent is liable to pay for, including the actual fee charged, based on the terms of the arrangement with the parent.

Complying Written Arrangements between parents and providers should be clear about the treatment of sessions and fees where a child is dropped off or collected outside of routine session times.

Why do attendance times need to be reported?

Providers are required to provide children's actual in-and-out attendance times in both statements of entitlements to families and session reports to the Australian Government.

Attendance times are not used to calculate Child Care Subsidy or Additional Child Care Subsidy. Child Care Subsidy and Additional Child Care Subsidy are calculated based on the length of each session of care individuals are liable to pay for as reported in the session report. Reporting actual attendance times is intended to help parents understand the relationship between the fees they are charged, the amount of subsidy paid to their child care provider on their behalf, and their out-of-pocket expenses.

When are business continuity payments made?

Business continuity payments may be made if a situation arises that is beyond the control of the approved provider and they are prevented from submitting session reports for reasons beyond their control. These payments are an emergency measure only and do not replace the requirement to submit session reports.

Examples of situations where business continuity payments may apply are:

- a disruption to the operation of communication infrastructure the service uses that cannot be rectified by the end of the relevant period
- where the service is significantly affected by a natural disaster, such as flood, storm, fire or earthquake.

Business continuity payments are intended to allow a service to continue operating until electronic reports can be provided. Payments made in this way should still be passed on to parents as fee reductions. Then, once the provider is able to provide session reports again, any business continuity payments will be offset against Child Care Subsidy payments (including those that are calculated for a past period in respect to which any business continuity payments were made).

The amount to be paid will be based on the average weekly amount paid to the service during a similar previous period (for example, a similar number of children and similar time of year), known as a 'test period'. The amount of the weekly payment will be rounded to the nearest \$100.

If the service is new and there is no payment history to establish a test period, the amount will be 50 per cent of 50 hours of care for the estimated number of children in care for the week at the Child Care Subsidy hourly rate cap for the service type.

If a provider is in a situation where it cannot submit session reports for reasons outside its control, it should contact the Department of Education Child Care Subsidy Help Desk (see [Appendix G](#)).

How Child Care Subsidy is paid

This chapter provides information on how Child Care Subsidy payment amounts are determined, how and when payments are made to providers, circumstances where payments are made to families, managing gap fees, reconciliation, overpayments and debt. The chapter also sets out information on Statements of Entitlement.

This chapter has the following sections:

- Entitlements
- Making payments
- Liability for payment
- Statements of Entitlement
- Reconciliation
- Overpayments and debt.

Entitlements

How is Child Care Subsidy determined?

The amount of Child Care Subsidy paid for care is determined by:

- Family income—the adjusted taxable income of the individual claimant and their partner (if they have one).
- Results of an activity test—this test considers the number of hours in a Child Care Subsidy fortnight that an individual engages in a recognised activity (such as paid work or a training course to improve their employment prospects) and affects the number of hours of subsidised care available to the individual.
- Type of eligible child care services—a different Child Care Subsidy hourly rate cap applies depending on the type of service the child attends.

There are caps on the number of hours of care families can receive subsidy for each fortnight, the hourly rate of subsidy and, in some cases, the total subsidy that can be paid in each financial year.

There may also be an annual cap of the total subsidy that can be paid to an individual each financial year, determined by the individual's adjusted taxable income for the year.

In exceptional circumstances, a determination can be made by the Department of Education that a family should receive more hours of support than the standard entitlement.

For more information on Child Care Subsidy, see [Appendix A](#).

How is Additional Child Care Subsidy determined?

Additional Child Care Subsidy provides additional fee assistance to support vulnerable or disadvantaged families and children. There are four different payments under the Additional Child Care Subsidy.

The types of Additional Child Care Subsidy, and a general outline of how they are calculated, are as follows:

- Child wellbeing—a subsidy equal to 100 per cent of the actual fee charged, up to 120 per cent of the Child Care Subsidy hourly rate cap, for up to 100 hours of assistance per fortnight.
- Grandparent—a subsidy equal to 100 per cent of the actual fee charged, up to 120 per cent of the Child Care Subsidy hourly rate cap, for up to 100 hours of assistance per fortnight.
- Temporary financial hardship—a subsidy equal to 100 per cent of the actual fee charged, up to 120 per cent of the Child Care Subsidy hourly rate cap, up to 100 hours of assistance per fortnight. It is limited to 13 weeks per event that gives rise to the temporary financial hardship.
- Transition to work—a subsidy equal to 95 per cent of the actual fee charged (up to 95 per cent of the Child Care Subsidy hourly rate cap).

For more information on Additional Child Care Subsidy, see [Appendix B](#).

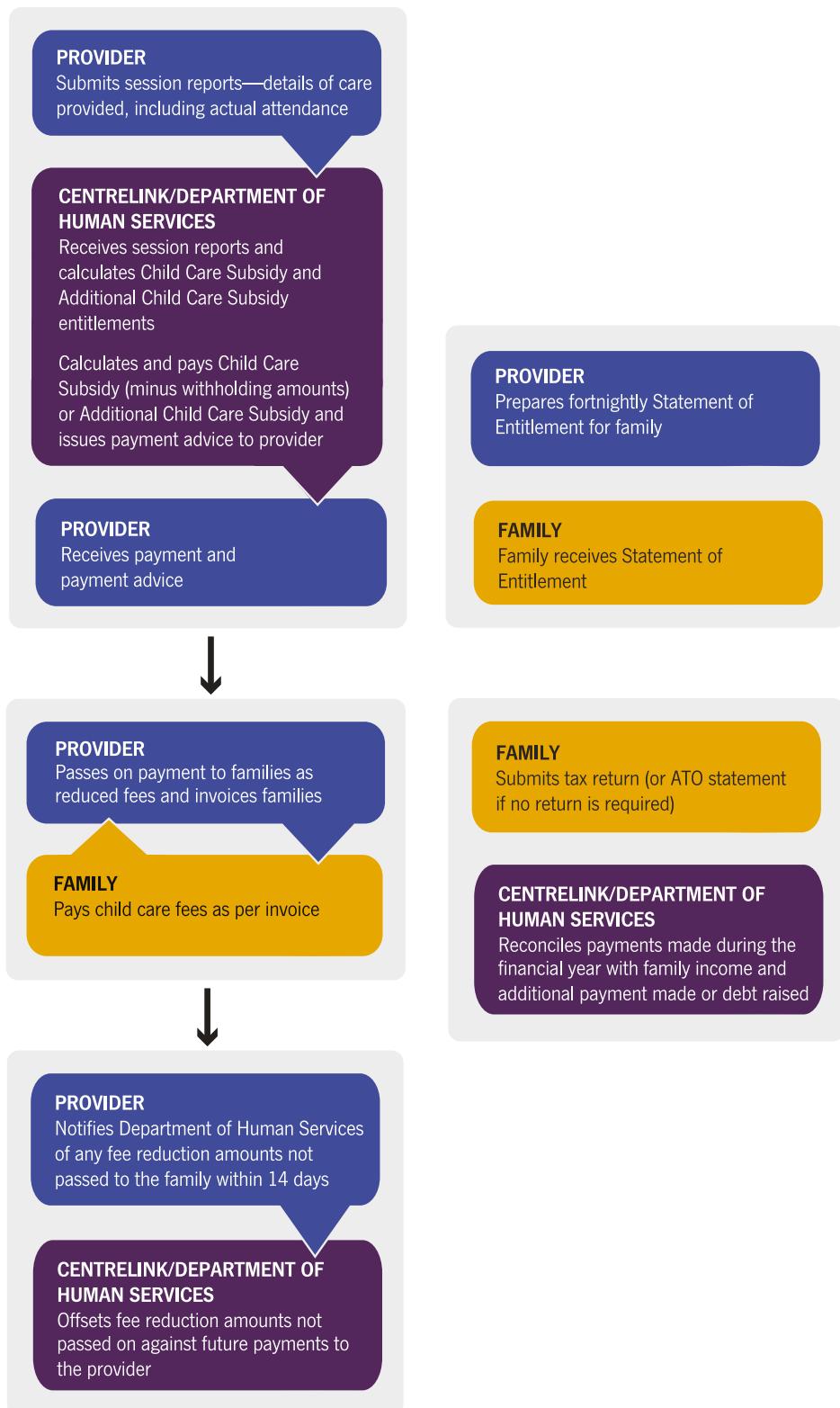
How does withholding affect payments?

The Department of Human Services withholds a percentage of Child Care Subsidy (this is usually 5 per cent) to reduce the likelihood that individuals will incur debts. This means that the full subsidy amount, less the withholding amount, is paid to providers on behalf of families following submission of session reports. Providers will be able to see the amount withheld on the payment advice they receive each fortnight. The amount withheld will be part of the gap fee that needs to be paid by parents to the provider.

After the end of each financial year, when the individual (and their partner) settles their tax affairs (usually by submitting their tax return), the total entitlements and payments for each child will be reconciled against the individual's (and any partner's) actual adjusted taxable income and activity for the year. After this review, any outstanding subsidy amount will be paid to the individual or they will be advised of any debt that they have incurred. This process of reviewing and recalculating entitlements for the full year is called 'reconciliation' (also called income review or balancing payments) (see [What is reconciliation?](#) at page 66).

Making payments

Figure 4: Steps in the payment and recovery process



When will payments be made?

Providers can submit session reports at any time during the week using their child care software or the PEP. Receipt of each report will be acknowledged.

Payment will be processed at 9.00 am (AEST) each Monday morning for sessions of care that occurred in the previous week and which have been reported before 9.00 pm (AEST) on the Sunday evening.

A session of care must only be reported once. For example, a report could be submitted on Wednesday evening for sessions of care that occurred on Monday through to Wednesday and a subsequent report could be submitted on Friday for sessions of care that occurred on Thursday and Friday.

Session reports submitted after 9.00 pm (AEST) on the Sunday will be processed and paid as they are submitted (but after the Monday morning weekly processing has been completed).

Table 8: When session reports need to be submitted to receive payment

Session report received	Payment processed
Before 9.00 pm (AEST) on Sunday for care provided in the previous week	The following Monday morning
After 9.00 pm (AEST) on Sunday for care provided in the previous or earlier weeks	Upon receipt

If a session report is varied (up until 28 days after the start of the week to which the report relates), payment adjustments will be processed and paid when the variation is submitted.

Once a session report has been processed, the determination of entitlement will be available through the provider's child care software or the PEP and the payment advice will be issued.

How are payments received?

To receive Child Care Subsidy payments on behalf of families for a given week, the provider must have current provider and service approvals and have submitted an enrolment and a session report for the eligible children.

Payments are made directly into the provider's nominated bank account, and providers will receive a payment advice with details of decisions about (determinations of) entitlements, calculations and payments.

What notification is given of the payment?

When a session report has been processed and a determination of entitlement made, the provider will receive a notification of the payment. This payment advice will be sent at the same time as the payment is dispatched and will indicate:

- calculation and determination of entitlement
- offsets (amounts taken as payment towards a debt owed) and withholding amounts
- total payments to be made to the provider
- any payments being made direct to the individual.

Providers can also view the entitlements that have been calculated for each child through their child care software or the PEP at any time.

Are any payments made to families?

Child Care Subsidy and Additional Child Care Subsidy are paid to providers to pass on to parents as a fee reduction. However, there are circumstances where Child Care Subsidy or Additional Child Care Subsidy is paid to parents.

In most cases families establish their eligibility and entitlement to Child Care Subsidy with Centrelink before their children start attending child care. In these circumstances Child Care Subsidy is paid to providers to pass on to families as a fee reduction from the outset. The department expects providers will charge the parent based on the eligibility and entitlement details available at that time.

The department does not recommend that providers invoice families using estimates of fee reduction before Child Care Subsidy eligibility and entitlement is confirmed. This is because the actual amount of Child Care Subsidy paid (if any) may vary for a range of reasons.

Where care is provided before the parent has had their eligibility and entitlement assessed, any backdated Child Care Subsidy amounts are paid directly to the parent once Centrelink confirms their eligibility. This is because it is expected they will have already paid full child care fees to their provider for this period. Subsequent subsidy amounts will be paid to the provider.

If the service decides to not charge the family full fees while the family's entitlement to Child Care Subsidy is being assessed, the service is responsible for recovering any unpaid amounts from the family.

Direct payments to parents can also occur when changes in circumstances directly affect the family's entitlement to Child Care Subsidy.

Liability for payment

Can discounts be offered?

Yes. Family Assistance Law does not regulate what fees providers may charge for a session of care—this is a matter for providers. However, a fundamental principle and requirement under Family Assistance Law is that Child Care Subsidy is always calculated on the actual fee the parent is liable to pay for each session of care.

Providers are required by legislation to report accurate details about each session of care, including the actual fee charged. Therefore, where a provider decides to charge a parent less than the usual rate for a session of care (for whatever reason) this is the fee the provider must include in the session report. This will ensure the provider complies with its obligations under the Family Assistance Law and that the family's Child Care Subsidy entitlement is calculated correctly. Similarly, if a provider charges a parent more than the usual rate for a session of care (such as a surcharge in accordance with their Complying Written Arrangement), this is the fee the provider must report.

If a parent is not charged a fee (or is charged a lower than usual fee), as part of an incentive offer, the provider must accurately reflect this in the relevant session reports. Providers must also ensure their arrangements with parents, including any incentives offered, comply with relevant state or territory consumer protection laws—for example, with respect to unfair contract terms and misleading conduct.

Can third parties pay the Child Care Subsidy gap fee?

No. A key principle and requirement under Family Assistance Law is that all parents who receive Child Care Subsidy should make a co-contribution to their child care fees. The co-contribution (or gap fee) is the total of the fees the parent is liable to pay for sessions of care minus the amount of Child Care Subsidy paid in respect of those fees and sessions.

Therefore, it is not possible for a third party to pay the gap between the fee a parent is charged and the amount of subsidy paid for a session of care. Where a third party pays part of a parent's fees for a session of care, the provider must reduce the fee reported accordingly to ensure the family's Child Care Subsidy and their co-contribution are calculated as required by the legislation—based on the amount the parent is actually liable to pay for the session of care.



SCENARIO

Third-party payment of fees

A third party can pay part of the family's child care fees. This approach can reduce, but not eliminate, the family's co-contribution to their fees, and the family can still benefit from Child Care Subsidy.

If the parent is entitled to the maximum 85 per cent rate of Child Care Subsidy and their provider charges \$100 per session, the family would ordinarily receive \$85 in Child Care Subsidy and make a \$15 co-contribution (not taking into account withholding).

If a third party agrees to pay \$15 of the \$100 fee, the parent is now liable for \$85 per session (this is the fee the provider must report). This means the parent's Child Care Subsidy entitlement would be 85 per cent of \$85 (\$72.25), leaving the family with a co-contribution of \$12.75 (rather than \$15).

A third party could elect to pay the entire fee for either some or all the sessions of care that the child attends. In such a case, where a third party pays the entire amount for a session of care for a parent, the parent will have no entitlement to Child Care Subsidy for that session of care but would also have no out-of-pocket child care expenses for that session.

A third party can also provide financial assistance directly to the family to help them with general household expenses (which might include weekly out-of-pocket costs for child care). As this type of contribution does not have a direct impact on the child care fees the family is liable to pay, it does not affect their Child Care Subsidy entitlement.

Can third parties pay Additional Child Care Subsidy gap fees?

The requirement for providers to reduce the hourly session fee by any other subsidy applies to the fee charged for any session of care, regardless of whether the family is eligible for Child Care Subsidy or Additional Child Care Subsidy. As such, providers are always required to report fees in accordance with this provision by reducing the fee charged by the amount of any third-party contribution.

Where a family is eligible for Additional Child Care Subsidy (child wellbeing), Additional Child Care Subsidy (grandparent) or Additional Child Care Subsidy (temporary financial hardship) and the hourly session fee is less than or equal to the applicable Additional Child Care Subsidy hourly rate cap, there is no co-contribution for the parent to pay. In this scenario, these payments will cover 100 per cent of the actual fee charged.

On occasion, a provider may charge more than 120 per cent of the applicable Additional Child Care Subsidy hourly rate cap for a session of care, meaning that the hourly rate of Additional Child Care Subsidy will exceed the hourly session fee. That is, for any given session there is a difference between the fee and amount of subsidy paid. The provider would ordinarily be required to take all reasonable steps to ensure the parent pays this gap.

However, a third party can agree to pay this gap amount on behalf of the parent. There would no longer be any difference between the hourly session fee and the hourly rate of Additional Child Care Subsidy. That is, there is no parent co-contribution for the provider to enforce.

If the provider did not reduce the fee by the third-party contribution when reporting the fee, they would still be required to take all reasonable steps to ensure the parent paid the gap between the fee charged and Additional Child Care Subsidy paid (despite the third party agreeing to pay this amount).

SCENARIO

Third-party payment of fees—Additional Child Care Subsidy

A Centre Based Day Care service charges \$150 for a 10-hour session of care. The Additional Child Care Subsidy hourly rate cap is \$14.38, which translates to an Additional Child Care Subsidy payment of \$143.80 per 10-hour session. A child protection agency agrees to pay the outstanding \$6.20 of the fee per session.

The provider correctly reports the session fee as \$143.80, meaning there is no difference between fee reported and subsidy paid and therefore no co-contribution for the provider to enforce. The provider recoups the total fee of \$150 through a combination of the Additional Child Care Subsidy (\$143.80) and the third-party contribution (\$6.20).

How a provider demonstrates to a third party the difference between their original fee and the amount of Additional Child Care Subsidy paid for a session is a matter for the provider and third party to determine.

There is scope for a third party to pay the entire gap where parents are receiving Additional Child Care Subsidy (child wellbeing), Additional Child Care Subsidy (temporary financial hardship) or Additional Child Care Subsidy (grandparent), as outlined above.

This is contrasted with Additional Child Care Subsidy (transition to work) and Child Care Subsidy, where it is not possible for third parties to reduce the gap to zero. This is because the maximum rate of Additional Child Care Subsidy (transition to work) is 95 per cent (of the hourly session fee or hourly rate cap), whereas the maximum rate for the other three Additional Child Care Subsidy payments is 100 per cent (of the hourly session fee; up to 120 per cent of the hourly rate cap).

Statements of Entitlement

What is a Statement of Entitlement?

Once every fortnight, providers must provide a Statement of Entitlement to parents eligible for Child Care Subsidy for children enrolled in their service. This statement must include details of the sessions of care provided and the resulting fee reduction amounts. The provider will need to use information about entitlements and payments for each child received in their payment advice (through their child care software or the PEP) to prepare these statements.

Statement of Entitlement can only be issued for care already provided, as they must include details of the child's physical attendance (in/out time) at the service and actual fee reduction amounts. Statements of Entitlement cannot be issued in advance based on estimates.

Statement of Entitlement are issued to families to ensure that families have a clear understanding of the fees they have been charged, what those fees have been charged for and how their Child Care Subsidy has offset those charges.

What is required in a Statement of Entitlement?

A Statement of Entitlement must include the details summarised in Table 9.

Table 9: Categories and details of information required in a Statement of Entitlement

About	Details
The statement	<ul style="list-style-type: none"> • Name of the individual to whom the statement is issued. • Name of the child to whom any sessions of care were provided. • Unique identifier (assigned by the department) to the enrolment of the child for care by the service. • Date of issue and start and end dates of the statement period.
The service	<ul style="list-style-type: none"> • Name of the provider. • Any business name of the service registered with the Australian Securities and Investments Commission. • Australian Business Number (if any) of the provider and (if different) the Australian Business Number under which the service trades. • Unique identifier of service and the provider (assigned by the department). • For a Family Day Care or In Home Care provider <ul style="list-style-type: none"> — the name and unique identifier (assigned by the department) of each educator who provided care during the statement period — which sessions of care the educator provided.
Sessions of care	<ul style="list-style-type: none"> • Daily and weekly totals of the number of hours of care provided during the statement period, including start and end times for each session of care. • Daily and weekly totals of the number of hours of the child's physical attendance during the statement period, including start and end times of the child's physical attendance. • For the statement period and cumulatively for the financial year until the date of issue of the statement—the sum of: <ul style="list-style-type: none"> — the number of days on which the service is taken to have provided a session of care to the child while the child was absent (up to 42 days in the financial year) (that is an initial absence day) — the number of days on which the service is taken to have provided a session of care to the child, beyond 42 cumulative days in the financial year and particular circumstances apply (that is an additional absence day).
Fees	<ul style="list-style-type: none"> • Hourly session fee for each session of care provided by the service to the child in the statement period. • Daily and weekly totals of the amount of all fees charged by the provider for care provided during the statement period, including details about any discounting or refund applied in order to pass on fee reductions.
Fee reduction amounts	<p>For the statement period:</p> <ul style="list-style-type: none"> • the number of hours for which the fees were reduced (or for which the individual otherwise received the benefit of a fee reduction amount) • the total of the fee reduction amounts of which the provider was given notice by the department • a breakdown of the amounts of fee reduction for each session of care and whether it related to a payment of Child Care Subsidy or Additional Child Care Subsidy.
Actual attendance times	Session reports are required to record actual attendance in and out times (except for absences).

Under Family Assistance Law, a person may commit an offence and is liable to a civil penalty if the provider does not give a Statement of Entitlement, which contains the required information, to the individual for the statement period, within the required time.

What visibility of payments do parents have?

In addition to the fortnightly Statement of Entitlement from providers, parents (eligible individuals) will have access to information through their Centrelink online account and will receive periodic notifications.

Parents can view their determination of entitlement (the outcome, decisions and calculations of entitlement) at any time using their Centrelink online account.

Parents will receive a notice of all determinations of entitlement during each quarter from Centrelink.



INFORMATION FOR FAMILIES

Families can access a range of more detailed information about their entitlements to Child Care Subsidy at www.education.gov.au/ChildCarePackage.

Families can identify which payments they may be entitled to receive, including the Child Care Subsidy, through the online Payment and Service Finder at www.humanservices.gov.au/paymentfinder.

Can a Statement of Entitlement and invoice be combined?

An individual (or their partner) who is entitled to receive Child Care Subsidy is required to pay a co-contribution to the cost of child care. The subsidy entitlement is always a percentage of the actual fees for care provided, and the provider is obliged to both:

- pass on the Child Care Subsidy amounts paid, as a fee reduction
- ensure that the individual pays their co-contribution—the gap between the Child Care Subsidy paid and the actual fees charged.

This usually means the provider will invoice families for the agreed child care fees minus fee reduction amounts (the Child Care Subsidy payments it receives on the family's behalf). The Department of Human Services will have withheld 5 per cent of the payment of Child Care Subsidy (see **Withholding of payments** at page 81). Providers are required to pass the actual fee reduction amounts on to families within 14 days of receiving payment advice. If this does not occur, providers must return the fee reduction to the Department of Human Services (see **What happens if the subsidy cannot be passed on to the family?** at page 66).

When and how to invoice families is a business decision for each provider to determine. The Department of Education does not recommend invoicing families using estimates of fee reduction (before Child Care Subsidy has been paid). This is because the actual amount of Child Care Subsidy paid (if any) may vary for a range of reasons that providers will not always be aware of, and therefore will not be able to account for, in any such estimate. Providers may instead consider either:

- invoicing families for full fees for care in advance for the first period of care, with fee reductions applied to subsequent invoices
- issuing families with a joint Statement of Entitlement and invoice (in arrears) for the difference between agreed fees and fee reduction amounts after the end of each fortnight.

Providers should also be aware that, when children start attending care while a claim is being assessed, any subsidy amounts payable for this period (noting that claims can be backdated up to 28 days) will generally be paid to the individual, not to the provider (see [Are any payments made to families?](#) at page 60).

What happens if the subsidy cannot be passed on to the family?

Providers are required to pass on the benefit of the Child Care Subsidy payment to the relevant individuals as a fee reduction within 14 days. This is usually done by reducing the amount of fees payable by the parent to the provider so that the parent only pays the gap fee (the total fee liability amount less the Child Care Subsidy amount).

If it is not reasonably practicable for the provider to pass on the fee reduction amount to the relevant individual, the provider must remit (that is, repay) the Child Care Subsidy amount to the Department of Human Services within 14 days. This occurs through the Child Care Subsidy System. Under Family Assistance Law, a person may commit an offence and is liable to a civil penalty if the person fails to do so.

If this is not done, the unremitted amount will become a debt that is owed to the Commonwealth by the provider.

The Department of Human Services can then make a separate payment of the individual's entitlement directly to the individual.

Reconciliation

What is reconciliation?

Reconciliation is also referred to as 'income review' or 'balancing payments'. For Child Care Subsidy purposes, individuals are required to meet reconciliation conditions by either:

- lodging a tax return
- submitting an advice to the Australian Taxation Office (ATO) that they are not required to lodge a tax return.

These obligations also apply to any partner of a claimant.

After the end of each financial year, when the individual (and their partner) settles their tax affairs (usually by submitting their tax return), the total entitlements and payments for each child will be reconciled against the individual's (and any partner's) actual adjusted taxable income and activity for the year. After this review, any outstanding subsidy amount will be paid to the individual or they will be advised of any debt that they have incurred.

Reconciliation occurs between the individual and Centrelink. Providers are not involved in this process. However, providers should be aware that an individual's Child Care Subsidy payments may be affected if they have a debt arising from reconciliation or if reconciliation does not occur.

How is the provider affected if a family does not complete its reconciliation?

The first deadline by which reconciliation conditions must be met by individuals is one year after the end of the financial year in which Child Care Subsidy was paid—that is, 1 July of the following year. If the individual does not meet the reconciliation conditions by that deadline, further payments will be suspended until reconciliation occurs.

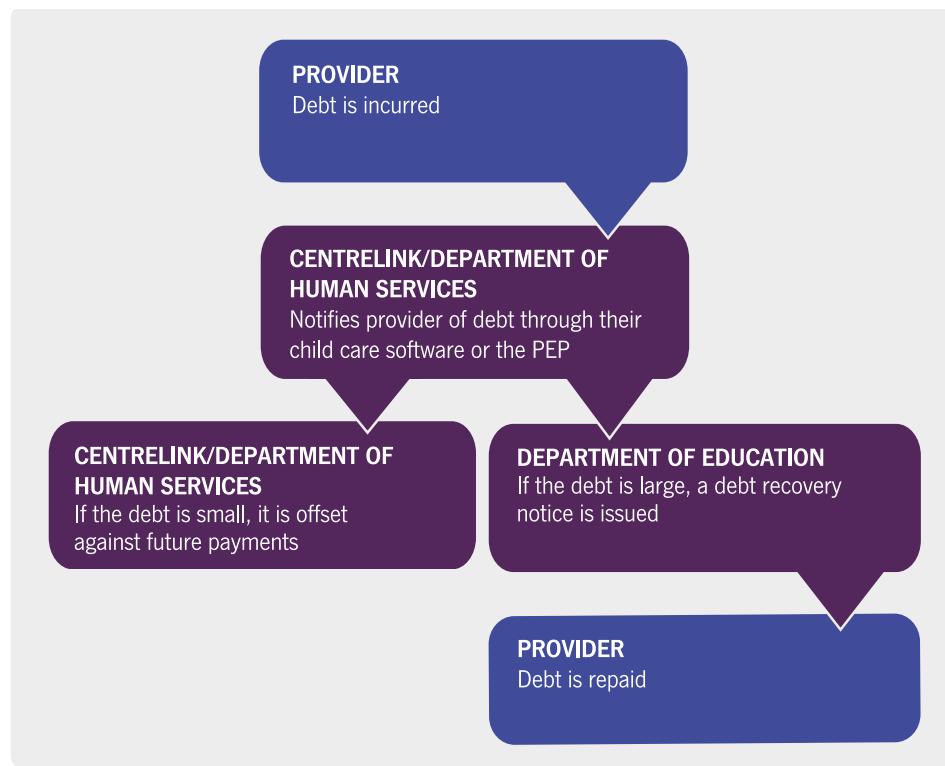
If an individual meets the reconciliation conditions after the first deadline but before the second deadline (see below), their Child Care Subsidy payments can resume only from that point.

The second deadline is the end of the second year after the financial year in which Child Care Subsidy was paid and is subject to reconciliation. If reconciliation conditions have not been met by the second deadline, the individual will lose their eligibility for Child Care Subsidy and will be liable to pay back the total amount of subsidy they received during the financial year in which payments were made.

Loss of eligibility for Child Care Subsidy also means that any Additional Child Care Subsidy will cease.

Overpayments and debt

Figure 5: Debt and debt recovery



How can a provider incur a debt?

A child care debt is typically any amount of child care assistance paid that is greater than the entitlement for a session of care. Debts can be offset automatically against payments made through the Child Care Subsidy System, and providers will be able to see any debts and offsets through their child care software or the PEP and in their payment advice.

Circumstances when a provider might incur a debt include when:

- A provider fails to pass on Child Care Subsidy payments to the individual and does not remit them back to the Department of Human Services within the required timeframe.
- A provider reports care that did not occur.
- An individual is overpaid Child Care Subsidy due to a false or misleading statement of the provider or due to the provider's noncompliance with Family Assistance Law.
- A provider's approval or approved service is cancelled or suspended after it received payments during any period following the suspension or cancellation.



INFORMATION FOR FAMILIES

Where a parent is unsure about the details of a debt raised by Centrelink, they will need to log into their Centrelink online account for further details or raise their questions with Centrelink.

Providers should encourage families to keep their income and activity estimates updated with Centrelink to help them reduce the risk of debt throughout the year and at reconciliation.

How will a provider know if they have incurred a debt?

A provider will be notified of any debts incurred by receipt of a letter and/or notification through their child care software or the PEP.

How does a provider repay a debt?

Debts may be recovered by setting the debt off against future payments made to a provider.

Debts may also be recovered by one or more of the following means if necessary:

- payment of the debt in full
- payment via instalments by arrangement with the Department of Education
- legal proceedings
- garnishee notice.

What will happen if a provider does not repay a debt?

If a provider is issued with a debt notice and either fails to comply with its requirements or terminates a repayment arrangement, interest may be charged on any outstanding debt.

Interest may be charged from 28 days after the debt notice is issued.

If the debt is not repaid within a specified timeframe, legal proceedings may be taken to recover the debt.

If a provider closes during the debt recovery process then a debt notice will be issued for any outstanding debt amount, which will still be pursued.

Can a decision be reviewed?

A provider can request an internal review of the decision relating to a debt. If a provider is not satisfied with the outcome of an internal review, it is entitled to appeal to the Administrative Appeals Tribunal.

Record keeping and notifications

This chapter describes your record-keeping responsibilities. You will find out about the types of records you need to keep, including specific Family Day Care record-keeping requirements. The chapter also lists the notifications that need to be made to comply with provider obligations.

This chapter has the following sections:

- Record keeping
- Notifications.

Record keeping

Table 10: Summary of record keeping and notifications

Records you need to keep	Notifications you need to action
• Complaints	• Changes to staff including change of circumstances
• Additional records	• Change to service operations
• Additional absences records	• Vacancy information
• Copies of fees documents	• Cessation of operations
• Notice about a child at risk	• Changes to service contact information
• Copies of evidence supporting approval application for Child Care Subsidy	• Service entering administration or liquidation
• Documentation on police checks and working with children	
• Register of care	

What records need to be kept?

To maintain approval, providers must keep certain records and notify the Department of Education of certain events. Failure to keep these records and provide the required notifications can result in an infringement notice, civil penalty order, criminal prosecution, suspension or cancellation of provider or service approvals, or other penalties.

All providers must keep and maintain the following records:

- complaints made to the provider, or to any of the services of the provider, relating to compliance with Family Assistance Law
- a record of attendance for each child for whom care is provided (regardless of eligibility for Child Care Subsidy), including records of any absences from care
- statements or documents demonstrating that additional absence days in excess of the initial 42 absence days satisfy requirements (see [Reporting absences](#) at page 53)
- copies of invoices and receipts issued for the payment of child care fees
- copies of all Statements of Entitlement issued and any statements issued to advise that there was a change of entitlement.

Providers must also keep a written record of the following, even if they would not otherwise record them in writing:

- any notice given to a state or territory body about a child at risk of abuse or neglect
- copies of the evidence and information provided with an application for approval about persons with management or control of a provider and persons responsible for the day-to-day operation of a service
- any evidence or information produced to obtain police checks and working with children checks for personnel and to support any statements about these checks in an application for provider or service approval.

Written records include records that are made and stored electronically, as long as they are stored safely and any changes, apart from incidental changes related to their storage and display, are also recorded.

Providers must keep written records of all required background checks for specified personnel (see [Who are specified personnel?](#) at page 28).

Records must be kept for seven years.

Do staff details need to be updated?

Providers will need to ensure that staff details are added to and kept up to date through the PEP.

This needs to be done by persons with management or control of the provider, who can add, update or remove the details of all child care personnel for the provider.

Persons responsible for the day-to-day operation of the service can add, update or remove the details of child care personnel for the service or services they manage.

Child care personnel may be allocated one of the following roles:

- persons with management or control of the provider
- persons responsible for the day-to-day operation of the service (operational responsibility)
- service contact
- Family Day Care or In Home Care educator.

Details can be found at the Department of Education website at docs.education.gov.au/node/50686.

When is a register of care required?

In simple terms, a Family Day Care educator has no entitlement to Child Care Subsidy or Additional Child Care Subsidy for the care provided to their child by another Family Day Care educator on a day that they are also providing care as a Family Day Care educator, unless an exemption applies (see [Can care be provided by a Family Day Care service to a Family Day Care educator's child?](#) at page 48).

A Family Day Care service must keep a register of any care provided by an educator within their service whose child or whose partner's child is, on the same day, being provided care by another Family Day Care educator. This includes where the other Family Day Care educator works for the same or a different Family Day Care service.

The register must record, among other things, each session of care in which this occurs and the reason an exemption applies—that is, one of the exemptions set out in the Minister's Rules. The register must be updated within 14 days after the end of each week in which care was provided.

More specifically, the register of care must set out:

- the name of the Family Day Care educator and their or their partner's child care personnel ID
- the name of the individual who would otherwise be eligible for Child Care Subsidy for the session of care (usually the Family Day Care educator, but it could be the Family Day Care educator's partner)
- the name of the child and his or her Customer Reference Number
- any unique identifier assigned by the department to the enrolment of the child for care by the service
- the name of the child care service at which the session of care was provided to the child
- the exceptions that apply.

This register of care should not be used for other purposes. If a Family Day Care service wishes to keep a register of the care provided by its educators to their own children or to relatives, the Family Day Care service may choose to do so, although it is not a requirement under law. Such a register should be kept separately from the register of care discussed above.

Where an exception does apply, documentary evidence must be uploaded into the payments system and records must be maintained so that the entitlement can be properly determined.

Documentary evidence of the exception must be uploaded and provided to the service before the service is required to submit an attendance report, and records of this exception are to be kept for seven years.

What other records do Family Day Care providers need to keep?

Where a Family Day Care educator provides care at premises other than the educator's residence, a written record must be kept of the address and contact number of the premises.

Notifications

What notice needs to be given?

Providers must notify the Department of Education of any of the following changes to their service(s), within the timeframe specified. Penalties may apply if providers fail to make required notifications.

Providers must notify the department at least 42 days before they stop operating a service.

Table 11: Matters that child care providers need to notify to the Department of Education and the specified timeframes

Matters to be notified	Timeframe for notification
The total hourly fee charged by the service for care for each approved child care service of the provider (before any fee reduction amounts or other rebates or discounts) as set out in any policy or advertising information provided to individuals who enrol their children with the service. Any change to the fee information.	Within 14 days of any of the following: <ul style="list-style-type: none">• commencement of the service• notice of approval of the service• any change.
The hours and days on which each approved child care service of the provider operates, with opening and closing times notified in 24-hour format. Any change to the operating hours.	Within 14 days of: <ul style="list-style-type: none">• commencement of the service• notice of approval of the service• any change.
The number of anticipated vacancies that the provider has available to fill in each of its approved child care services for each day of the following week (beginning on a Monday). A vacancy is: <ul style="list-style-type: none">• for a Centre Based Day Care service or a Family Day Care service—an ongoing full-day vacancy• for an Outside School Hours Care service—an ongoing full-session vacancy.	By 8.00 pm (AEST) each Friday.
Ceasing to operate an approved child care service: <ul style="list-style-type: none">• to avoid being in breach of a law of the Commonwealth, a state or a territory• due to circumstances beyond the provider's control when 42 days' notice cannot be given.	Within 24 hours after ceasing to operate the service.
Change of physical or postal address of: <ul style="list-style-type: none">• the provider• the premises from which any of the provider's approved child care services operate.	No later than 30 days before the change or, if the change was not foreseeable at that time, as soon as practicable.

Matters to be notified	Timeframe for notification
Change to the name of: <ul style="list-style-type: none">• the provider• any of the provider's approved child care services, including evidence of name change.	Within 14 days after the change.
Change of any of the following contact details of the provider or of any of the provider's approved child care services: <ul style="list-style-type: none">• email address• website• telephone number• fax number.	Within 14 days after the change.
Information about any new person: <ul style="list-style-type: none">• with management or control of the provider (including any person who becomes responsible for the day-to-day operation of any of the provider's approved child care services)• who becomes a Family Day Care educator or In Home Care educator for any such service. <p>The information must include:</p> <ul style="list-style-type: none">• the name and contact details of the new person• a declaration that the provider has undertaken all background checks required for the new person, together with details of the new person's working with children card, if applicable.	Within seven days after the new person becomes a person with management or control of the provider or a Family Day Care or In Home Care educator.
Change of the name or contact details for any of the following persons: <ul style="list-style-type: none">• a person with management or control of the provider (including any person who is responsible for the day-to-day operation of any of the provider's approved child care services)• a Family Day Care educator or In Home Care educator for any such service.	Within seven days after the provider becomes aware of the change.
The provider becomes aware, because of a background check undertaken for a specified person, that the person: <ul style="list-style-type: none">• has a serious conviction or finding of guilt for any of the following offences under a law of Australia or of a foreign country<ul style="list-style-type: none">– an indictable offence punishable by a maximum of two years imprisonment or 40 penalty units– an offence involving violence or a sexual offence– an offence involving fraud, stealing or dishonesty• is an undischarged bankrupt, or• was a director or secretary of a corporation when the corporation went into administration, receivership or liquidation, or at any time during the 12 months beforehand.	Within seven days after the provider receives a record of the check.
An event or circumstance in relation to a person with management or control of the provider (including a person responsible for the day-to-day operation of any of the provider's approved child care services) that reasonably indicates that the person is not likely to be a fit and proper person to be involved in the administration of Child Care Subsidy.	Within seven days after the provider becomes aware of the event or circumstance.

Matters to be notified	Timeframe for notification
A person stops having management or control of the provider (including when a person stops having day-to-day responsibility for the operation of any of the provider's approved child care services). The provider must also notify the Secretary of the Department of Education of when, and the reason, the person stopped having management or control of the provider.	Within seven days after the person stops having management or control of the provider.
An educator obtains a child care qualification from a registered training organisation and: <ul style="list-style-type: none"> • the provider or person with management or control has an interest in that registered training organisation by virtue of which the provider or person owns, operates, controls or carries out the registered training organisation, and either <ul style="list-style-type: none"> – it appears that the educator has not obtained the qualification solely on her or his own merit – the qualification has otherwise been obtained in circumstances that might be perceived as demonstrating a conflict of interest. 	Within seven days after the provider becomes aware of the matter.
A provider or a person with management or control of the provider obtains an interest, or is likely to obtain an interest, in a business which may affect their ability to comply with Family Assistance Law, where the approval may benefit the business or where a conflict of interest might reasonably be perceived to exist.	Within seven days of the provider becoming aware of the matter.
Change in the status of a working with children card for anyone who is required to have such a card under section 195D of the <i>A New Tax System (Family Assistance) (Administration) Act 1999</i> —for example, if the card is amended, suspended or revoked.	Within 24 hours after the provider becomes aware of the change of status.
The provider enters into administration, receivership, liquidation or bankruptcy, and the details of this event.	Within 24 hours after the event.
Unexpected closure of any of the provider's approved child care services due to unforeseen circumstances.	Within 24 hours after the closure.
A serious conviction or finding of guilt of: <ul style="list-style-type: none"> • a person with management or control of the provider (including a person who becomes responsible for the day-to-day operation of any of the provider's approved child care services), or • a Family Day Care educator, In Home Care educator, or another educator. 	Within 24 hours after the provider becomes aware of the charging, conviction or finding of guilt.

Under Family Assistance Law, a person may commit an offence and is liable to a civil penalty if the provider does not give the Department of Education written notice of the above matters within the required timeframes.

How is notice given?

All notifications can be made through a service's child care software or the PEP. However, providers will need to ensure that their child care software can update and is updating required information.

Appendix A

Child Care Subsidy

This appendix provides more in-depth information on Child Care Subsidy policy, including your responsibilities under the program and the roles of the Department of Education and Centrelink. It also provides detailed information on the activity test.

This appendix has the following sections:

- Child Care Subsidy
- Eligibility for Child Care Subsidy
- Determining Child Care Subsidy.

Child Care Subsidy

Child Care Subsidy is the main payment to assist families with the costs of child care. It is, with some exceptions, paid directly to providers to be passed on to families as a fee reduction.

Families make a co-contribution to their child care fees and pay the provider the difference between the fee charged and the subsidy amount.

There are three main aspects of Child Care Subsidy:

- an individual's eligibility for Child Care Subsidy
- types of child care and sessions of care covered by Child Care Subsidy
- amount of Child Care Subsidy payments (entitlement).

Each of these is described in more detail in the following sections.

While a provider or service is not directly involved in the calculation of a family's entitlements (this is a matter between the family and Centrelink), it is important that providers understand the rules relating to Child Care Subsidy so they can discuss with families the amount of fee reduction families will receive and the balance of the fee charged that families will need to pay to the provider.

Providers should encourage families to provide true and complete information to Centrelink for the purposes of claiming Child Care Subsidy, as well as notify Centrelink of changes in circumstances. This is a legal requirement of families, and the provision of incorrect information may result in families incurring debts that need to be recovered later.



INFORMATION FOR FAMILIES

[Centrelink Payment and Service Finder](#)—to estimate what the Child Care Subsidy might be and assess eligibility for other support payments.

[Childcarefinder.gov.au](#)—for information about child care services, including early learning and child care services, fees and vacancies.

[my.gov.au](#)—to create and then access a Centrelink online account, make Child Care Subsidy claims and view the status of claims.

Eligibility for Child Care Subsidy

For Child Care Subsidy to be paid for a session of care provided for a child, that child and their parents or carers (the individual) must meet certain eligibility requirements.

Age requirements

Children must:

- be aged 13 years or under, and
- not attend high school (secondary school).

Providers can provide care for children who do not meet these conditions, but they should be aware that Child Care Subsidy will not be payable unless there are specified circumstances.

For example, some older children with disability and children attending secondary school at a young age may be eligible on a case-by-case basis if they have a legitimate need to access subsidised care and cannot be left unsupervised:

- children aged 13 and under who are attending secondary school, including children with disability
- children with disability aged 14 or 15 years
- children with disability aged 16, 17 or 18 years in exceptional circumstances.

Centrelink will consider the parent's eligibility in respect of these children based on information and evidence provided by the parent at claim or when updating their circumstances.

Immunisation requirements

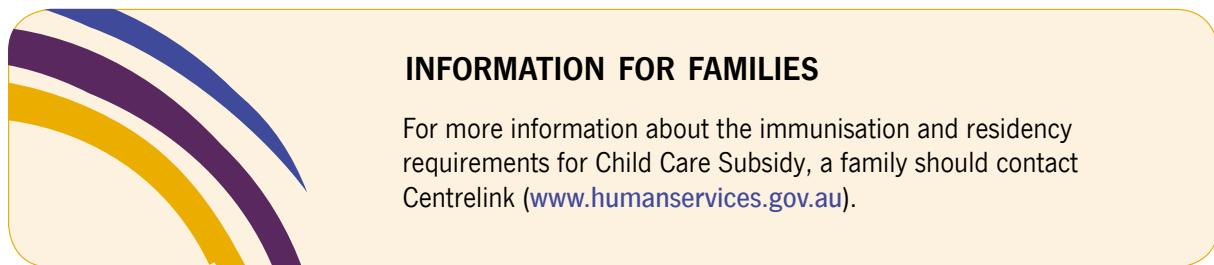
To be eligible for the Child Care Subsidy a child must also meet immunisation requirements.

The Australian Government considers that immunisation is an important health measure for children and their families, as it is the safest and most effective way of providing protection against harmful and often deadly diseases. To meet the Child Care Subsidy immunisation requirements, children must be immunised according to the standard vaccination schedule, be on an eligible catch-up vaccination schedule or have an approved exemption from being immunised (see the Department of Human Services website at www.humanservices.gov.au/individuals/enablers/what-are-immunisation-requirements/35396).

There is a short immunisation grace period which provides some flexibility for families to meet the vaccination requirements where they may have missed or forgotten a scheduled vaccination.

Residency requirements for parents

To receive Child Care Subsidy, the claimant or their partner must be an Australian resident as defined under the *Social Security Act 1991* or be an eligible non-resident.



INFORMATION FOR FAMILIES

For more information about the immunisation and residency requirements for Child Care Subsidy, a family should contact Centrelink (www.humanservices.gov.au).

Determining Child Care Subsidy

The amount of Child Care Subsidy to which a family is entitled is determined by the:

- family income
- results of an activity test
- type of child care service.

There are caps on the hourly rate for which a subsidy will be paid, and in some cases on the total subsidy that will be paid in each financial year.

Withholding part of a payment reduces the likelihood of debt for individuals. An amount of 5 per cent of Child Care Subsidy entitlements is usually withheld from payment, unless an alternative percentage is determined by the department for the individual. At the end of the income year, the amounts paid and withheld will be reconciled.

In exceptional circumstances, a determination can be made that a family should receive more hours of support than the standard entitlement.

It is important that families keep Centrelink informed about any change of family circumstances.

Family income

Family income is the annual adjusted taxable income of the individual and their partner (if they have a partner). It is used to determine the percentage of Child Care Subsidy to which an individual is entitled. For more information, see the Department of Human Services website at www.humanservices.gov.au/individuals/enablers/adjusted-taxable-income.

To calculate the entitlements and payments for each child, the individual will need to provide a reasonable estimate of their annual adjusted taxable income directly to Centrelink. These details will be used, along with the information submitted by the provider in their session reports, for the calculation.

The percentage of subsidy relative to income level is set out in Table A1, for 2019–20.

The lowest income threshold will be indexed by the Consumer Price Index annually, and all other income thresholds will be increased by the same dollar amount to match the rate at which the subsidy gradually decreases.

Table A1: Current levels of family income and the amount of Child Care Subsidy payable as a percentage of the actual fee charged or hourly rate cap, for 2019–20.

Family income	Subsidy per cent of the actual fee charged or hourly rate cap, whichever is lower
Up to \$68,163	85 per cent
More than \$68,163 to below \$173,163	Decreasing to 50 per cent
\$173,163 to below \$252,453	50 per cent
\$252,453 to below \$342,453	Decreasing to 20 per cent
\$342,453 to below \$352,453	20 per cent
\$352,453 or more	0 per cent

Activity test

The hours of subsidised child care per fortnight that a family is entitled to is determined by an activity test. Depending on the combined hours of work, training, study, recognised voluntary work or other recognised activity undertaken, a family can receive up to 100 hours of subsidy per fortnight per child. Both the claimant and their partner, if they have one, must satisfy the activity test unless they are exempt. For claimants who are partnered, the number of subsidised hours the family is entitled to will be based on the member of the couple with the lowest activity test result, even when an exemption applies.

The family or individual will provide activity details directly to Centrelink. These details will be used, along with the information submitted by the provider in their session reports and the family's income, to calculate the entitlements and payments for each child.

Table A2: Hours of activity and maximum number of hours of Child Care Subsidy (per fortnight) per child

Hours of activity (per fortnight)	Maximum number of hours of subsidy (per fortnight) per child
For families earning up to \$68,163	
Fewer than 8 hours	24 hours
For families earning up to \$352,453	
8–16 hours	36 hours
More than 16 up to 48 hours	72 hours
More than 48 hours	100 hours

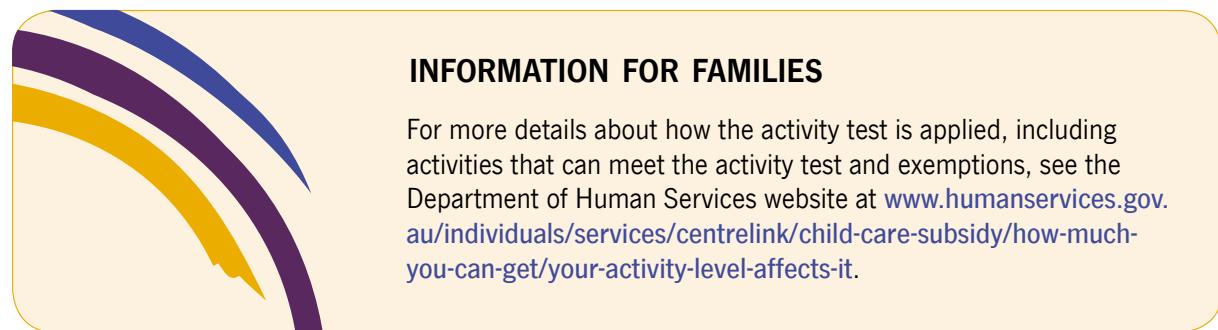
A broad range of activities meet the activity test requirements, including paid work, self-employment, unpaid work in a family business, looking for work, and recognised volunteering or studying. Travel time from the child care service to your place of activity and back to the child care service can be included (but not between home and the child care). There are exemptions to the activity test for parents who legitimately cannot meet the activity requirements.

Low-income families on combined family incomes of \$68,163 or less a year who do not meet the activity test can access 24 hours of subsidised care per fortnight under the Child Care Safety Net.

Families who do not meet the activity test but have a preschool-age child attending preschool in a Centre Based Day Care service will be eligible for 36 hours of subsidised care per fortnight.

People with disability or impairment, including those who receive Disability Support Pension or an invalidity service pension or who have been diagnosed by a registered medical practitioner or clinical psychologist as impaired to a significant degree may be exempt from the activity test.

Families who need more than their available hours of subsidised care per fortnight due to exceptional circumstances can apply to Centrelink for additional hours.



Activity test for preschool program attendance

The preschool category provides families who do not meet the activity test with up to 36 hours of subsidised care per fortnight to support their preschool-age child to attend a preschool program in a child care service.

Families who meet the activity test and engage in more than 16 hours of recognised activities will result in being eligible for a higher number of subsidised care hours per fortnight, as set out in Table A2.

As for all calculations of Child Care Subsidy, where a service indicates that a session provided by a Centre Based Day Care service was part of a preschool program, the subsidy will be calculated based on the sessions of care provided to the child. For example, where a parent is eligible for subsidised hours under the preschool category (as they do not meet the activity test) and the child attended any part of a 10-hour session, Child Care Subsidy will be calculated for 10 hours. This would reduce the parent's balance of subsidised hours to 26 hours from their total of 36 for the fortnight.

While the maximum length for a single session of care under Family Assistance Law is 12 hours, providers have flexibility in the hours per day and days per week that they operate. Providers are required to notify the Department of Education within 14 days of any change in its operating hours.

Child care providers should consider changes that deliver flexible, cost-effective care and learning services for families. For example, providers could choose to offer parents receiving 36 hours of subsidy under the preschool category six sessions of six hours or four sessions of nine hours per fortnight.

For the Child Care Subsidy preschool category, a preschool-age child is a child in the year before their first year of primary school. States and territories refer to the first year of primary school differently (see the Department of Human Services website at www.humanservices.gov.au/individuals/enablers/what-are-primary-school-levels-child-care-fee-assistance/40326).

To establish when children are preschool age for Child Care Subsidy purposes, parents indicate their child's expected school (that is, primary school) start date in their Child Care Subsidy claim or when they later update their details with Centrelink. For example, if a parent indicates their child will start school in February 2020, the child is a preschool-age child for 2020.

Families who receive Child Care Subsidy are required to report changes of circumstance that affect their entitlement to Centrelink as soon as practicable.

This means that, at any stage throughout the year, if a parent who is accessing the preschool exemption decides that their child is not ready to start school the following year, they must update their child's expected school start date with Centrelink.

This will cease the family's entitlement to the preschool category of 36 hours of subsidised care from that point, if their child will no longer be in the year before the first year of primary school.

The family may be entitled to the preschool category again once their child is in the year before their first year of primary school.

Caps

Hourly rate caps

Hourly rate caps are the upper limit on the amount the Australian Government will subsidise care provided at an approved child care service. The hourly rate caps vary across service types to reflect differences in operating costs and average fees charged.

Combined with the family's Child Care Subsidy percentage, the rate caps will be used to calculate the amount of subsidy per hour each family is entitled to receive:

- where a provider charges less than the hourly cap, families will receive their applicable percentage of the actual fee charged
- where a provider charges more than the hourly cap, families will receive their applicable percentage of the hourly rate cap.

The family's out-of-pocket expenses will be the difference between the subsidy to which they are entitled (based on their income and activity levels) and the total fees charged by the provider. The caps will be indexed annually in line with the Consumer Price Index and published on the Department of Education website.

The Australian Government does not set child care fees—providers set their fees and parents pay the gap between the subsidy and the actual fee. Providers are obligated to take all reasonable steps to ensure that parents pay the gap fee.

The hourly rate caps serve as a guide to providers and families on the maximum hourly amount that the Australian Government is prepared to subsidise. The hourly rate caps are set out in Table A3.

Table A3: Hourly rate caps payable for children below school age and of school age, according to the type of child care service provided, for 2019–20

Service type	Hourly rate cap (children below school age)	Hourly rate cap (school-age children)
Centre Based Day Care	\$11.98	\$10.48
Outside School Hours Care	\$11.98	\$10.48
Family Day Care	\$11.10	\$11.10
In Home Care	\$32.58 (per family)	\$32.58 (per family)

Annual subsidy cap

Families with an adjusted taxable income of \$188,163 or less have no annual cap on the subsidy they can receive. For families with income of more than \$188,163 to less than \$352,453, the annual subsidy cap is \$10,373 per child, per year (indexed by the Consumer Price Index annually). Families with income of \$352,453 or more cannot receive Child Care Subsidy.

Families can monitor their progress towards the annual subsidy cap through their Centrelink online account.

The Department of Human Services will notify the provider through their child care software or the PEP if a family whose child is enrolled at a service has reached their annual subsidy cap. There will be no fee reduction amounts paid to the provider or parent for that child from that time forward (for the remainder of the financial year), and the parent will have to pay the full fees charged.

Withholding of payments

The amount that a provider will be paid, and that the individual will receive in the form of fee reductions, will be 5 per cent less than the individual's Child Care Subsidy entitlement.

Withholding some of a family's entitlement to Child Care Subsidy is a way to reduce the likelihood of families incurring a debt at the end of a financial year. The process of withholding does not reduce a family's overall entitlement to Child Care Subsidy.

Some parents may have their withholding percentage varied from the default amount of 5 per cent. Providers will be able to see the amount withheld on the payment advice they receive each fortnight.

At the end of the financial year, after the individual and partner (if any) have lodged their tax return, the amounts paid to and withheld from the individual will be reconciled. A review of the individual's entitlement will be conducted based on the individual's actual adjusted taxable income.

Where, because of the review, it becomes clear that there was overpayment (for instance, because the person underestimated their income), the overpayment is recoverable as a debt by deducting from the amounts withheld.

Where, because of the review, it becomes clear that there was an underpayment (for instance, because the person overestimated their income), the individual will be paid the amounts withheld and any additional amount as a lump sum.

Family circumstances

Exceptional circumstances

In exceptional circumstances, variations may be made to eligibility requirements, such as residency requirements, or to other conditions of Child Care Subsidy. These will be determined on a case-by-case basis. Families who are in, or have children in, circumstances that may be exceptional should contact Centrelink.

Change of family circumstances

The provider will receive notification of each individual's entitlement information once the individual has confirmed their enrolment notice. This information is viewable through the provider's child care software or the PEP. This information will include details of:

- the individual's Child Care Subsidy percentage
- the number of subsidised hours per fortnight (the family's activity test result)
- the individual's apportioned hours (where the child attends more than one service and the individual has chosen to apportion a certain number of their subsidised hours to each service)
- the Additional Child Care Subsidy percentage (if applicable)
- whether the family has reached the Child Care Subsidy annual subsidy cap
- the number of absences the child has used in the current financial year.

When a family's circumstances change and this affects their eligibility and/or entitlement, they are required to notify Centrelink of the change as soon as possible. The provider will be able to see any change to the family's entitlement through their child care software or the PEP.

Changes to a family's entitlement will take place from the beginning of the next Child Care Subsidy fortnight after the change occurred. Where a parent is late in reporting a change in their circumstances resulting in an overpayment of Child Care Subsidy for previous sessions of care, a debt may be raised (this may affect their subsequent Child Care Subsidy payments). Parents will be notified through their Centrelink online account where Centrelink raises debts due to changes in their entitlement—for example, changes to an individual's (and any partner's) activity test result.

Where a parent is unsure about the details of a debt raised by Centrelink, they will need to log into their Centrelink online account for further details or raise their questions with Centrelink.

Providers should encourage families to keep their income and activity estimates updated with Centrelink to help them reduce the risk of debt throughout the year and at reconciliation.

Grandparent carers

Grandparent principal carers not on income support may be eligible for Child Care Subsidy. These grandparents will be entitled to 100 hours of subsidised child care per fortnight regardless of their activity, with the rate of subsidy based on their, or any partner's, income.

Grandparents who are not principal carers of their grandchildren but have regular or shared care of the child may be eligible for Child Care Subsidy based on their income and hours of recognised activity.

If those grandparents do not meet the Child Care Subsidy activity test and earn less than \$68,163, they will be able to access 24 hours of subsidised care per fortnight at 85 per cent of the hourly rate cap.

Grandparent principal carers who are on income support will be supported through Additional Child Care Subsidy (grandparent). For further information see [Appendix B](#).

Appendix B Additional Child Care Subsidy

This appendix provides information on the different types of Additional Child Care Subsidy, when this subsidy is payable and the different rates. For a more detailed explanation of Additional Child Care Subsidy (child wellbeing), see the [Guide to Additional Child Care Subsidy \(child wellbeing\)](#).

This appendix has the following sections:

- Additional Child Care Subsidy
- Additional Child Care Subsidy (child wellbeing)
- Additional Child Care Subsidy (grandparent)
- Additional Child Care Subsidy (temporary financial hardship)
- Additional Child Care Subsidy (transition to work).

Additional Child Care Subsidy

Additional Child Care Subsidy provides additional fee assistance to support vulnerable or disadvantaged families and children. This support recognises the preventative and protective influence of quality child care on a child's health, wellbeing and development; and the importance of continuity of care.

There are four different payments under Additional Child Care Subsidy:

- Additional Child Care Subsidy (child wellbeing)—to help children who are at risk of serious abuse or neglect.
- Additional Child Care Subsidy (grandparent)—to help grandparents on income support who are the principal caregiver of their grandchildren.
- Additional Child Care Subsidy (temporary financial hardship)—to help families experiencing financial hardship.
- Additional Child Care Subsidy (transition to work)—to help low-income families transitioning from income support to work.

Each of these is described in more detail in the following sections.

The provider's role in Additional Child Care Subsidy

Providers are centrally involved in identifying children who require extra support through Additional Child Care Subsidy (child wellbeing).

Providers are not involved in making applications for the other types of Additional Child Care Subsidy, although they may encourage families who may be eligible to contact Centrelink to apply for additional assistance.

Providers will be advised of individuals using their service who are receiving these other payments. An overview of these types of Additional Child Care Subsidy is provided for providers' information and to allow them to support families who may be eligible.

Additional Child Care Subsidy levels and rates

A provider must not charge an individual who is eligible for Additional Child Care Subsidy a higher fee than they would ordinarily charge for an individual who is eligible for Child Care Subsidy.

Table B1: Availability of different types of Additional Child Care Subsidy, with subsidy levels and relationship to income and activity

Extra support	Additional subsidy	Relationship to income or activity
Additional Child Care Subsidy (child wellbeing)	A subsidy equal to 100 per cent of the actual fee charged, up to 120 per cent of the Child Care Subsidy hourly rate cap, for up to 100 hours of assistance per fortnight.	Regardless of the family's income or their level of activity.
Additional Child Care Subsidy (grandparent)	A subsidy equal to 100 per cent of the actual fee charged, up to 120 per cent of the Child Care Subsidy hourly rate cap, for up to 100 hours of assistance per fortnight.	Regardless of the family's income or their level of activity. However, an individual or their partner must be in receipt of a specified income support payment.

Extra support	Additional subsidy	Relationship to income or activity
Additional Child Care Subsidy (temporary financial hardship)	A subsidy equal to 100 per cent of the actual fee charged, up to 120 per cent of the Child Care Subsidy hourly rate cap, for up to 100 hours of assistance per fortnight. Limited to a maximum 13 weeks per event.	Regardless of the family's income or their level of activity.
Additional Child Care Subsidy (transition to work)	A subsidy equal to 95 per cent of the actual fee charged (up to 95 per cent of the Child Care Subsidy hourly rate cap).	The hours of subsidised care are determined by the activity test. Income must be below \$68,163.

Additional Child Care Subsidy (child wellbeing), Additional Child Care Subsidy (temporary financial hardship) and Additional Child Care Subsidy (transition to work) are each subject to time limits, outlined in the following more detailed sections.

The hourly rate for Additional Child Care Subsidy (child wellbeing), Additional Child Care Subsidy (grandparent) and Additional Child Care Subsidy (temporary financial hardship) is designed to target support to those families that are genuinely in need and ensure that cost is not a barrier to starting or continuing with child care.

For example, the maximum Child Care Subsidy hourly rate cap for Centre Based Day Care is \$11.98. Families will be able to access a subsidy of up to 120 per cent of this rate cap or \$14.38 per hour if the actual fee charged by the service is over the Child Care Subsidy hourly rate cap rate.

The rate is expected to cover the fees of most services. In exceptional circumstances, an individual might receive a higher level of Additional Child Care Subsidy and/or increased hours of assistance. This will be determined on a case-by-case basis.

Individuals who may be eligible for more than one type of Additional Child Care Subsidy

Where an individual becomes eligible for more than one type of Additional Child Care Subsidy, the individual will only receive one type of Additional Child Care Subsidy at a time. The order in which the types of Additional Child Care Subsidy will be applied is:

- Additional Child Care Subsidy (child wellbeing), then
- Additional Child Care Subsidy (grandparent), then
- Additional Child Care Subsidy (temporary financial hardship), then
- Additional Child Care Subsidy (transition to work).

Additional Child Care Subsidy (child wellbeing)

Additional Child Care Subsidy (child wellbeing) provides additional child care fee assistance to an individual (or provider) for children at risk of serious abuse or neglect. It helps to address cost barriers families may experience so that children can either enter or remain engaged with child care.

For the purposes of Additional Child Care Subsidy (child wellbeing), a child is taken to be at risk of serious abuse or neglect if the child is at risk of experiencing harm as a result of current or past circumstances or events that resulted in the child being subject to, or exposed to, any of the following:

- serious physical, emotional or psychological abuse
- sexual abuse
- domestic or family violence
- neglect.

The definition of ‘at risk’ includes situations where the child is likely to experience those circumstances in the future (for example, the future risk is real and apparent). This allows families to be eligible for the subsidy at the appropriate earliest point and potentially before they are known to a child protection agency.

Any child who is identified as being at risk under state or territory child protection law will meet the definition of at risk and the individual (or provider) will therefore be eligible to receive the payment.

The Minister’s Rules set out in detail the circumstances when a child is taken to be at risk of serious abuse or neglect for the purposes of Additional Child Care Subsidy (child wellbeing). The [**Guide to Additional Child Care Subsidy \(child wellbeing\)**](#) provides more detail on the administration of this subsidy. This section provides a summary only and we recommend visiting those resources for more detailed guidance.

In certain cases, a provider may identify a child at risk of neglect or abuse who meets relevant criteria but may be unable to identify a parent or carer who is eligible for Additional Child Care Subsidy (child wellbeing). In these cases, as a last resort, the provider may be eligible for Additional Child Care Subsidy (child wellbeing)—provider eligible arrangement. This arrangement will end once the child is no longer at risk or where an eligible individual is identified.

Provider eligibility for Additional Child Care Subsidy (child wellbeing) recognises that in some situations, in the interest of caring for a child at risk whose parent or carer cannot be identified, the provider will be incurring the costs of child care. Further information is available in the [**Guide to Additional Child Care Subsidy \(child wellbeing\)**](#).

Additional Child Care Subsidy (grandparent)

Additional Child Care Subsidy (grandparent) provides ongoing increased child care fee assistance to grandparents on income support who are the principal carers of their grandchildren. A grandparent or a great-grandparent includes a natural, adoptive or step-grandparent (or great-grandparent) of the grandchild, or the grandparent’s (or great-grandparent’s) current or former partner.



INFORMATION FOR FAMILIES

Grandparent carers need to apply directly to Centrelink for Additional Child Care Subsidy (grandparent).

Providers are not directly involved in the application process but may wish to encourage families whose circumstances may make them eligible for Additional Child Care Subsidy (grandparent) to enquire with Centrelink.

Providers will be notified if the Additional Child Care Subsidy (grandparent) payment is approved for a child enrolled in their service.

To be eligible for Additional Child Care Subsidy (grandparent), an individual must:

- meet the eligibility requirements for Child Care Subsidy
- be the grandparent or great-grandparent of the child or children
- be the principal carer of their grandchild or grandchildren, providing all or at least 65 per cent of ongoing daily care, and have substantial autonomy for day-to-day decisions about the child's care, welfare and development (the grandparent does not have to have formal guardianship of the child)
- receive a social security pension or benefit from the Department of Human Services or a service pension or income support supplement from the Department of Veterans' Affairs.

Grandparents will be required to provide evidence of their grandparent relationship and principal care arrangements, such as:

- a child protection order made under the state or territory care and protection laws
- a parenting order or consent order made under the *Family Law Act 1975*
- birth and marriage certificates to prove relationship
- third-party evidence such as a letter from child's school, general practitioner or other third party (who has regular interactions with the family and can independently verify the circumstances) that supports the principal care arrangements
- a statutory declaration confirming the relationship or principal care arrangements.

Additional Child Care Subsidy (temporary financial hardship)

Additional Child Care Subsidy (temporary financial hardship) is designed to provide short-term support to families who are experiencing significant financial stress due to exceptional circumstances beyond their control. This will help ensure continuity of care for the child and ensure that families are provided with support when they need it most.

To be eligible for Additional Child Care Subsidy (temporary financial hardship), an individual must:

- be eligible for Child Care Subsidy
- be assessed as experiencing temporary financial hardship for circumstances that occurred no more than six months before the application is made
- have had a substantial reduction in their ability to pay child care fees as a direct result of the temporary financial hardship circumstance.

An individual is taken to be experiencing temporary financial hardship if they have had a substantial reduction in their ability to pay child care fees due to any of the following:

- the death of a partner or child of the individual
- a loss of employment of the individual, or a partner of the individual, other than due to their resignation or retirement
- a loss of income or business failure of the individual, or a partner of the individual, due to circumstances outside the control of the individual or the partner (such as serious illness)
- a loss of income of the individual due to the death of a former partner, where the former partner was providing ongoing financial assistance for the child under child support arrangements
- the individual, or a partner of the individual, being adversely affected by a major disaster event
- the destruction of, or severe damage to, the home of the individual or of a partner of the individual
- the individual having to leave home and not being able to return because of an extreme circumstance
- the individual still living at home after being subjected to domestic violence by a family member who has left or has been removed from the home.

Individuals will need to provide evidence to demonstrate there is a link between the circumstances they are experiencing and the financial hardship (including evidence of a substantial reduction in their ability to pay child care fees). Evidence will also need to show that the circumstance or event occurred within six months from the date the application was made.

In some cases, more than one of these circumstances may affect a family at the same time, increasing and compounding the hardship that the family is facing. Individuals can nominate one or more circumstances that have led to their situation of temporary financial hardship.

INFORMATION FOR FAMILIES

Where a family shares information with a provider about difficult circumstances that are impacting on their ability to pay fees, which may fall into the circumstances listed above, the provider can encourage the family to contact Centrelink.

The provider is not directly involved in the application process but will be notified if Additional Child Care Subsidy (temporary financial hardship) payment is approved for a child enrolled in their service.

Centrelink may also be able to provide advice on other support and assistance based on the family's circumstances.

The evidence required to support an application may include:

- independent documentation such as a letter from an employer (for loss of job) or from an independent professional
- a statutory declaration from the individual outlining the nature of the temporary hardship event
- a formal declaration of a natural disaster event where the families concerned would be eligible for disaster assistance
- medical or death certificates.

The evidence provided will need to demonstrate that the individual has had a substantial reduction in their ability to pay child care fees as a result.

An application for this type of Additional Child Care Subsidy may be made by the family through their Centrelink online account. Centrelink will assess the application and advise the provider if Additional Child Care Subsidy (temporary financial hardship) is to be paid.

Additional Child Care Subsidy (transition to work)

Additional Child Care Subsidy (transition to work) will provide support to families who are transitioning to work from income support by engaging in work, study or training activities.

To be eligible for Additional Child Care Subsidy (transition to work) an individual must:

- be eligible for Child Care Subsidy
- be in receipt of an eligible income support or transition to work payment, including any of the following
 - ABSTUDY
 - Austudy
 - Carer Payment
 - Disability Support Pension
 - Farm Household Allowance
 - Newstart Allowance
 - Parenting Payment
 - Special Benefit (not residentially qualified)
 - Youth Allowance
- have a family income lower than the Child Care Subsidy lower income threshold
- have a Job Plan in effect
- meet the Additional Child Care Subsidy (transition to work) activity requirements
- not have exceeded the time limit for which Additional Child Care Subsidy (transition to work) can be paid for their activity.

Recognised activities that may be supported under the Additional Child Care Subsidy (transition to work) include an approved course of education or study; actively looking for work; paid work; actively setting up a business; and unpaid work, including a work experience placement or an internship or vocational training or other program which has a reasonable likelihood of improving an individual's employment prospects.

Individuals may continue to receive the subsidy for 12 weeks after they gain employment and their income support payments reduce to zero.

Families need to apply directly to Centrelink, through their Centrelink online account, to be assessed for Additional Child Care Subsidy (transition to work).



INFORMATION FOR FAMILIES

Providers who believe a family using their service may meet these criteria should advise them to apply directly to Centrelink for Additional Child Care Subsidy (transition to work). The provider is not directly involved in the application process but will be notified if Additional Child Care Subsidy (transition to work) payment is approved for a child enrolled in their service.

Centrelink may also be able to provide advice on other support and assistance based on the family's circumstances.

Appendix C

Services exempt from the National Law

This appendix is about types of services that are not covered by the National Law and provides information on the requirements exempt services must meet. For a more detailed explanation of In Home Care, see the *In Home Care National Guidelines*.

This appendix has the following sections:

- In Home Care
- Other exempt services
- Requirements for other exempt services.

In Home Care

In Home Care is not regulated under the National Law. However, In Home Care providers and services may be subject to other states and territories' legislative requirements based on their office location and where they provide services. This may include:

- Tasmania: *Child Care Act 2001*.
- South Australia: *Education and Early Childhood Services (Registration and Standards) Act 2011*.

Approved In Home Care services must meet quality standards as outlined in the Minister's Rules.

More detailed requirements relation to In Home Care can be found in the *In Home Care National Guidelines* and *In Home Care Handbook*.

Other exempt services

All providers need to be approved under Family Assistance Law for individuals to be eligible for Child Care Subsidy and Additional Child Care Subsidy for the care their services provide.

However, certain services are exempt from meeting requirements under the National Law and National Regulations for the purposes of their Family Assistance Law approval. These are services that were funded under the Budget Based Funded program prior to July 2018 and a small number of other specified services under the Minister's Rules. These services are also exempt from Family Assistance Law requirements relating to the minimum operating periods for Centre Based Day Care and Outside School Hours Care, to allow for community circumstances. The following sections set out the alternative requirements for these services.

These services are required to meet the standards relating to safety, quality and insurances and are required to submit an annual Quality Improvement Plan so that they gradually align their practice with the National Quality Framework.

Services must be able to provide evidence of compliance with the additional conditions of continued approval discussed below. This may involve providing, on request, copies of certificates, qualifications, policies and processes that support the delivery of the service as described below.

If additional services are approved under these requirements, they will be listed by name in the Minister's Rules.

Requirements for other exempt services

Commitment to high-quality child care

The provider must be equipped to provide high-quality child care at the service appropriate to the needs of families and the community having regard to the provider's ability and commitment to:

- providing a tailored, individual education program based on each child's knowledge, ideas, culture, abilities and interests
- developing a program that acknowledges and strengthens the cultural identity of children to whom care is provided at the service
- ensuring children are properly supervised

- ensuring reasonable precautions are taken to protect children from harm or injury and any hazard likely to cause harm or injury
- ensuring at least one staff member who holds a current approved first aid qualification is on duty and present at the service that care is being provided by the service
- carrying out any other activities the Secretary of the Department of Education considers necessary or appropriate for the provision of high-quality child care at the service.

Serious incidents

The provider must implement appropriate arrangements to manage serious incidents, including (without limitation) notifying the Secretary of the Department of Education in writing within 24 hours after either:

- a serious incident occurs
- a circumstance occurs that could have resulted in the occurrence of a serious incident.

The following incidents are serious incidents:

- the death of a child while being cared for by the service or because of an incident that occurred while being cared for by the service
- any incident involving injury, harm or trauma to or illness of a child while being cared for by the service for which
 - the attention of a medical practitioner was sought, or ought to have been sought, or
 - the child attended, or ought to have attended, a hospital
- any incident for which the attendance of emergency services at premises where care is usually provided is sought or ought to have been sought
- a child being cared for
 - is missing
 - appears to have been taken or removed from the premises where the service provides the care in a manner that would contravene the National Regulations, regardless of whether the regulations apply, or
 - is accidentally locked in or locked out of the premises where the care is being provided or any part of those premises.

Work health and safety

The applicable work health and safety laws include:

- the *Work Health and Safety Act 2011*
- any regulations or instruments made under that Act
- any corresponding work, health and safety laws within the meaning of that Act.

The Department of Education does not administer the work health and safety laws, but these notifications are required so that the Secretary of the Department of Education can decide if there are any issues that may impact on the continued operation or approval of a service.

The provider must carry out the following duties as part of managing workplace health and safety for the service:

- if, under the work health and safety laws, the provider is required to report a notifiable incident to the regulator arising out of the provision of care by the service, the provider must also
 - immediately, or as soon as possible afterwards, give written notice of the incident to the Secretary, together with a copy of any written notice given to the regulator
 - give the Secretary, within 14 days after the incident occurred, a report detailing the circumstances of the incident, the results of investigations of its cause, and any recommendations or strategies for prevention in the future

- give the Secretary written notice with full details of the following
 - any suspected contravention of the work health and safety laws relating to the provision of care by the service within 24 hours after becoming aware of the suspected contravention
 - any cessation or direction to cease work under the work health and safety laws relating to the service due to unsafe work, immediately, or as soon as possible, after the provider is informed of any such cessation or direction
 - any workplace entry under the work health and safety laws by a work health and safety entry permit holder, or an inspector, to any premises of the service where care is being provided, within 24 hours of becoming aware of any such workplace entry
 - any proceedings against the provider, or any decision or request by the regulator given to the provider, under the work health and safety laws, within 24 hours of becoming aware of any such proceedings, decision or request
- provide the Secretary of the Department of Education with copies of all notices and correspondence issued to the provider by any person under the work health and safety laws within 24 hours after receiving any such notice or correspondence.

Insurance

The provider must always have in place the following insurance policies:

- workers compensation insurance for the service as required by law
- a current policy of insurance providing adequate cover for the service against public liability with a minimum cover of \$10,000,000.

Quality Improvement Plan

A provider is required to have, within six months after the approval of the service, a written Quality Improvement Plan that:

- is available to view by the Department of Education on request
- assesses the service's strengths and weaknesses against each of the seven key quality areas of the National Quality Standard of the National Quality Framework.

Please note this requirement for Quality Improvement Plans is different from that in the National Regulations, which do not apply to these exempt services.

A provider is required to review the Quality Improvement Plan annually by reassessing the service's strengths and weaknesses against each of the seven key quality areas and indicating progress and areas for improvement.

Appendix D Provider and service eligibility

This appendix provides a summary of the eligibility requirements that providers and services must meet to be eligible for approval under Family Assistance Law.

This appendix has the following sections:

- Approval
- Provider eligibility rules
- Service eligibility rules.

Approval

The Department of Education may only approve a provider for the purposes of Family Assistance Law if satisfied that:

- the provider satisfies the provider eligibility rules, and
- the provider operates, or will operate at least, one child care service that satisfies the service eligibility rules.

The department will assess whether the provider and service satisfy these eligibility requirements based on the information provided. The information requested by the department (as set out in Tables 1 and 2) is intended to allow an assessment of the provider against all these requirements.

To be approved, all provider eligibility rule and service eligibility rule requirements must be satisfied. Whether or not the provider operates the service is also a relevant consideration, as the provider will not be approved for a service if it does not actually operate it.

Provider eligibility rules

The provider eligibility rules are:

- for each child care service for which the provider is seeking approval, the provider holds any approvals or licences required to operate a child care service under the law of the state or territory in which the service is situated
- the provider is a fit and proper person to be involved in the administration of Child Care Subsidy and Additional Child Care Subsidy
- any person with management or control of the provider is a fit and proper person
- any person who will be a person with management or control of the provider on the day the provider's approval takes effect, or the day the provider's approval for a child care service takes effect, is a fit and proper person
- for a large Centre Based Day Care provider—the provider is financially viable and is likely to remain so
- the provider must ensure that each of the following checks is carried out for each person who has management or control of the provider and be able to provide a written record of each check upon any request
 - a national police check from the state or territory police service, or an agency accredited by the Australian Criminal Intelligence Commission, no more than six months before the date of the application
 - a check on the issue of a working with children card
 - a National Personal Insolvency Index check performed using the Bankruptcy Register Search service provided by the Australian Financial Security Authority
 - a Current and Historical personal name extract search of the records of the Australian Securities and Investments Commission
- the provider must ensure that each of the following checks is carried out for each person with responsibility for the day-to-day operation of the service, and be able to provide a written record of each check, upon any request, of a
 - current police check
 - working with children card check

- the provider must ensure that each of the following checks is carried out for each Family Day Care educator for a Family Day Care service or an In Home Care educator for an In Home Care service, and be able to provide a written record of each check, upon request, of a
 - current police check
 - working with children card check.

Service eligibility rules

The service eligibility rules are:

- the service is of a type that can be approved
- the provider of the service holds any approvals or licences required to operate the service under the law of the state or territory in which the service is situated
- each person who is responsible for the day-to-day operation of the service (whether or not the person is employed by the provider of the service) is a fit and proper person
- each person who will be responsible for the day-to-day operation of the service (whether or not the person is employed by the provider of the service) on the day the provider is approved to operate the service is a fit and proper person
- in the case where the service is covered by allocation rules (that is, an In Home Care service)—if the provider of the service were to be approved, child care places would be allocated to the service
- the Secretary of the Department of Education is satisfied that it is appropriate for the provider to be approved to operate the service having regard to the following
 - if the provider is already an approved provider—any conditions imposed on the provider's approval
 - any non-compliance by the provider with a law of the Commonwealth or a state or territory
 - the provider's record of receiving and passing on payments under Family Assistance Law
 - the provider's record of administering Commonwealth, state or territory funds
 - the capacity for staff working at the service to use the electronic system for managing child care payments under Family Assistance Law
 - the following matters for each Family Day Care educator or In Home Care educator
 - any act of the educator involving fraud or dishonesty
 - the arrangements the provider puts in place to ensure the educator complies with Family Assistance Law
 - any other matter the Secretary of the Department of Education considers relevant
- additional criteria for service eligibility rules set out in the Minister's Rules.

Appendix E Compliance

This appendix provides information to help providers understand what they need to do to maintain ongoing approval under Family Assistance Law and the action that can be taken by the Department of Education if they fail to meet those obligations.

This appendix has the following sections:

- Conditions for continued approval
- Consequences for breach of conditions for continued approval
- Offence and civil penalty provisions
- Other sanctions.

Conditions for continued approval

Family Assistance Law sets out certain conditions for continued approval that apply to approved providers. These are fundamental requirements that approved providers must comply with in order to maintain their approval under Family Assistance Law. The conditions for continued approval include:

- the provider must continue to satisfy the provider eligibility rules (see [Appendix D](#))
- each approved child care service of the provider must continue to satisfy the service eligibility rules (see [Appendix D](#))
- the provider must not contravene Family Assistance Law
- the operation of each approved service and provision of care by each service must comply with all requirements imposed by a Commonwealth law, or by a law of the state or territory in which the service is situated
- each child care service of the provider must operate for not less than the minimum period each year (see [What is the minimum number of weeks each year an approved service must operate?](#) at page 18)
- the provider must give the Department of Education the details of the working with children card held by each person who is required to hold such a card and who provides care at one of the provider's child care services
- the provider must comply with any conditions for continued approval imposed by the Secretary of the Department of Education
- a provider which is approved to operate a Family Day Care service must ensure that less than 50 per cent of the children to whom any Family Day Care educator is providing care within a Child Care Subsidy fortnight at the service is related to the educator as a niece, nephew, cousin, grandchild or great grandchild (see [Can care be provided by relatives of the children?](#) at page 49)
- an approved service must continue to be operated by the provider that applied for approval for that service and must be operated as the same type of service that is specified in the approval notice.

There are also conditions of approval that apply specifically to approved providers of In Home Care services, which can be found in the [In Home Care Handbook](#).

Consequences for breach of conditions for continued approval

If an approved provider has not complied, or is not complying, with a condition for continued approval, the Department of Education may do one or more of the following (amongst other things):

- suspend the provider's approval
- cancel the provider's approval
- suspend the approval of a service
- cancel the approval of a service.

In determining what action to take, the department will have regard to the Minister's Rules, which set out matters to consider in determining:

- whether to impose a sanction, and
- if so, which sanction to impose.

Prior to taking the above compliance action, the department will give the provider a notice of its intended action and give the provider the opportunity to provide written submissions.

Action will not generally be taken where there is an honest mistake. If providers are uncertain about how to do something or are concerned that they may have done something incorrectly, they are encouraged to seek advice from the Department of Education.

Offence and civil penalty provisions

Family Assistance Law also contains offence and civil penalty provisions.

Some of the offences are strict liability offences, which removes the fault element from the offence. This means that it would be enough to prove that the person committed the act; and it would not be necessary to prove that the person acted with criminal intent, knowledge, recklessness or negligence when committing the act.

Contravention of an offence provision can result in criminal prosecution by the Commonwealth Director of Public Prosecutions, and in a court issuing a penalty order requiring payment of a fine.

Contravention of a civil penalty provision may result in an infringement notice being issued by the department to the provider requiring payment of monetary penalty; or in a civil penalty order being issued by a court requiring payment of a civil penalty.

As breach of any provision of Family Assistance Law is a breach of a condition of continued approval, more serious sanction action, such as cancellation or suspension of provider approval or service approval, may also be taken.

Other sanctions

Other sanctions, depending on what the non-compliance is, include placing of conditions on the approval of the provider or a service. A provider's approval may also be immediately suspended in some circumstances.

The Department of Education may also make public any information relating to a sanction. Details of the sanction or suspension, and the provider and service they relate to, may be published on the Department of Education's website at www.education.gov.au/child-care-enforcement-action-register.

For more information about the consequences of non-compliance, see the Child Care Payments Compliance Program web page at <https://www.education.gov.au/financial-integrity>.

Appendix F Support funding and programs

This appendix sets out detailed information on the Inclusion Support Program and the Community Child Care Fund (including Connected Beginnings) and how each program is delivered.

This appendix has the following sections:

- Inclusion Support Program
- Community Child Care Fund.

Inclusion Support Program

The Inclusion Support Program is designed to assist child care services to include children with additional needs by providing tailored inclusion advice and support from contracted Inclusion Agencies as well as funding to address more challenging inclusion barriers.

It funds providers to build their ability to include children with additional needs in mainstream services so that these children can learn and develop alongside their peers.

Children with additional needs may include:

- children with disability, including those undergoing assessment for disability
- Aboriginal and Torres Strait Islander children
- children from culturally and linguistically diverse backgrounds
- children from a refugee or humanitarian background
- children with serious medical conditions
- children presenting with language and speech delays
- children presenting with disruptive behaviour.

Inclusion Agencies

The Inclusion Support Program is delivered across the country by seven Inclusion Agencies (one for each state and territory, except for New South Wales and the Australian Capital Territory, which are serviced by a single Inclusion Agency). Inclusion Agencies work with eligible early childhood and care services to help them to care for children with additional needs.

Providers who believe they need extra assistance to care for children with additional needs should contact the Inclusion Agency for their state or territory.

Working with the Inclusion Agencies, providers will complete a Strategic Inclusion Plan to identify and address the barriers that limit their service's ability to care for children with additional needs. The Strategic Inclusion Plan is completed online through a web-based application called the Inclusion Support Portal. A paper-based option is available for services that do not have the IT infrastructure to access the Inclusion Support Portal.

Where additional resources are identified in a Strategic Inclusion Plan that cannot be accessed through the local community, the Inclusion Agency may refer the provider to the Specialist Equipment Library or recommend that an application be made to the Inclusion Development Fund.

Specialist Equipment Library

Equipment available from the Specialist Equipment Library may include:

- portable ramps to improve access
- standing frames and full support swings to allow a child with high physical needs to participate in activities
- hoists, slings, harnesses, change tables, toilet sets or steps, potty chairs, mobile stools and seating or posture aids for educators to assist them to lift and transfer children safely when carrying out basic care functions such as changing or going to the toilet
- specialised inclusion toys such as switch toys
- specialised furniture such as chairs, tables, desks and positioning equipment
- communication cards or charts and Auslan dictionaries to enable the child and educators to communicate effectively.

A service's need for specialist equipment must be identified in a Strategic Inclusion Plan or recommended by a relevant professional, such as an occupational therapist or physiotherapist, and endorsed by the Inclusion Agencies.

Inclusion Development Fund

The Inclusion Development Fund provides funding to assist eligible services to address barriers to inclusion that cannot be resolved by support provided by an Inclusion Agency or the Specialist Equipment Library.

A national manager assesses and, where appropriate, approves Inclusion Development Fund applications for all streams of funding from eligible services. This ensures a nationally consistent and equitable application of the Inclusion Development Fund eligibility requirements which are outlined in the fund's guidelines.

There are four discrete streams of Inclusion Development Fund support, which have different eligibility criteria, application processes and approved funding purposes. The four streams of support are:

- Subsidy for an Additional Educator—per-hour funding to centre-based services to subsidise the employment of an additional educator to increase the educator-to-child ratio to support the inclusion of a child (or children) with disability.
- Subsidy for Immediate/Time-Limited Support—enables centre-based services to immediately engage an additional educator for a time-limited period while an alternative and more stable solution is being determined.
- Family Day Care Top-Up—supports eligible Family Day Care services to include children with disability with ongoing high support needs by providing a fee top-up payment where including the child results in the educator being unable to enrol the maximum number of children usually allowed.
- Innovative Solutions—funds innovative and flexible solutions to inclusion where a barrier or barriers have been identified that cannot be addressed by the support provided by its Inclusion Agency.

Applications for the Inclusion Development Fund funding can be made at any time during the program to provide responsive support to services as they enrol children with additional needs. Applications will be considered on their merits. There are caps on Inclusion Development Fund funding, and the approval of any application is contingent on the availability of funding.

For guidelines and more information about the Inclusion Support Program, including how to contact Inclusion Agencies or the Inclusion Development Fund manager, see the Department of Education website at www.education.gov.au/inclusion-support-programme-ispp.

Community Child Care Fund

The Community Child Care Fund is designed to help eligible child care providers address barriers to child care participation, particularly in disadvantaged communities, including Indigenous communities. There are various streams of funding, as explained below.

Community Child Care Fund—open competitive program

Eligible providers can apply for grant funding to:

- make it easier for disadvantaged or vulnerable families and communities to access and use child care services
- support child care services operating in areas of limited supply to improve the financial viability and sustainability of their service
- provide capital support (for modifying or extending buildings to increase the supply of child care places in areas of high unmet demand).

Community Child Care Fund—restricted non-competitive program

The Community Child Care Fund restricted non-competitive program is available to specified providers only. Eligible providers will be notified and invited to apply.

Eligible providers can apply for grant funding to:

- Ensure continuity of child care services during and beyond any period of transition.
- Support eligible child care services to build capacity and operate sustainably under the new child care system.
- Support services to increase participation by Indigenous children.

For more information about the Community Child Care Fund, see the Department of Education website at www.education.gov.au/community-child-care-fund-0. Grant opportunities, including eligibility criteria, will be advertised on GrantConnect at www.grants.gov.au.

Connected Beginnings program

The Connected Beginnings program is designed to integrate early childhood, maternal and child health, and family support services with schools in a selected number of Aboriginal and Torres Strait Islander communities experiencing disadvantage. Providers will be notified if they are in an eligible community.

For more information about the guidelines for the Connected Beginnings program, see the Department of Education website at www.education.gov.au/connected-beginnings-program.

Appendix G

Contacts and further information

This appendix provides useful information and contact details, including relevant Australian Government department contacts, core and other related legislation and where complaints and concerns can be raised

This appendix has the following sections:

- For providers
- For families
- National Quality Framework
- Complaints or concerns.

For providers

Child Care Subsidy Helpdesk

Child Care Subsidy Helpdesk: operators are available from 9.00 am to 5.00 pm (AEST), Monday to Friday (excluding public holidays and over the Christmas period).

Phone: 1300 667 276

Email: ccshelpdesk@education.gov.au

Department of Education

Other information and resources for providers on the Department of Education website: www.education.gov.au/child-care-providers

Guide to Additional Child Care Subsidy (child wellbeing): www.education.gov.au/accs-child-wellbeing-guide

In Home Care National Guidelines and *In Home Care Handbook*: www.education.gov.au/in-home-care

Department of Human Services

Other information and resources for providers on the Department of Human Services website at:

www.humanservices.gov.au/organisations/business/your-business-sector/child-care-service-providers

State and territory regulatory authorities

ACT

Children's Education and Care Assurance, Early Childhood Policy and Regulation, Education Directorate, ACT Government

Phone: (02) 6207 1114

Email: ceca@act.gov.au

Website: www.education.act.gov.au

NSW

Early Childhood Education Directorate, NSW Department of Education

Phone: 1800 619 113

Email: ececd@det.nsw.gov.au

Website: www.education.nsw.gov.au

NT

Quality Education and Care NT, Department of Education

Phone: (08) 8999 3561

Email: infocentre.det@nt.gov.au

Website: www.education.nt.gov.au

Qld

Regulation, Assessment and Service Quality, Early Childhood and Community Engagement, Department of Education and Training

Phone: 13 74 68

Email: ecec@det.qld.gov.au

Website: www.qed.qld.gov.au

SA

Education and Early Childhood Services Registration and Standards Board of South Australia

Phone: 1800 882 413

Email: eeccb.nationalqualityframework@sa.gov.au

Website: www.esb.sa.gov.au

Tas

Education and Care Unit, Department of Education

Phone: 1300 135 513

Email: comment@education.tas.gov.au

Website: www.educationandcare.tas.gov.au

Vic

Department of Education and Training

Phone: 1300 307 415

Email: licensed.children.services@edumail.vic.gov.au

Website: www.education.vic.gov.au/childhood/providers/regulation/Pages/default.aspx

WA

Education and Care Regulatory Unit, Department of Local Government and Communities

Phone: (08) 6551 8333

Email: ecru@dlgc.wa.gov.au

Website: www.dlgc.wa.gov.au/LegislationCompliance/Pages/Education-and-Care.aspx

Legislation

A New Tax System (Family Assistance) Act 1999 at www.legislation.gov.au/Details/C2019C00037

A New Tax System (Family Assistance) (Administration) Act 1999 at www.legislation.gov.au/Details/C2018C00288

Child Care Subsidy Minister's Rules 2017: www.legislation.gov.au/Details/F2019C00168

Child Care Subsidy Secretary's Rules 2017: www.legislation.gov.au/Details/F2018C00473

Child Care Subsidy (What Constitutes a Session of Care) Determination 2018: www.legislation.gov.au/Details/F2018L00827

Corporations (Aboriginal and Torres Strait Islander) Act 2006: www.legislation.gov.au/Details/C2019C00180

Education and Care Services National Law Act 2010: www.acecqa.gov.au/nqf/national-law-regulations/national-law

Education and Care Services National Regulations 2011: www.acecqa.gov.au/nqf/national-law-regulations/national-regulations

Family Law Act 1975: www.legislation.gov.au/Details/C2019C00182

Fringe Benefits Tax Assessment Act 1986: www.legislation.gov.au/Details/C2019C00145

Social Security Act 1991: www.legislation.gov.au/Details/C2019C00183

Work Health and Safety Act 2011: www.legislation.gov.au/Details/C2018C00293

For families

Department of Human Services

Phone: 136 150 (Centrelink)

Phone: 1800 136 380 (Indigenous Call Centre)

Information and resources for families on the Department of Human Services website: www.humanservices.gov.au/individuals/subjects/assistance-child-care-fees

Payment and Service Finder to estimate family entitlements: www.humanservices.gov.au/paymentfinder

Express Plus Centrelink mobile app: www.humanservices.gov.au/individuals/services/centrelink/express-plus-centrelink-mobile-apps

Other useful websites

MyGov: www.my.gov.au—to create and then access a Centrelink online account, to make Child Care Subsidy claims and view the status of claims.

Child Care Finder: www.childcarefinder.gov.au—for information about child care services, including early learning and child care services, fees and vacancies.

Australian Business Register: abr.gov.au/For-Business,-Super-funds---Charities/Applying-for-an-ABN/

National Quality Framework

Australian Children's Education & Care Quality Authority (ACECQA): www.acecqa.gov.au/contact-us

Phone: 1300 422 327

Email: enquiries@acecqa.gov.au

State and territory regulatory authorities: www.acecqa.gov.au/help/contact-your-regulatory-authority

Complaints or concerns

The Department of Education provides a Child Care Tip-off Line can be used by parents, providers or their employees to raise concerns about practices relating to the management of subsidies. Concerns relating to the quality or safety of a service should be raised with the relevant state or territory authority (above).

Phone: 1800 664 231

Email: tipoffline@education.gov.au

Glossary

Term	Definition
8-week rule	<p>Under the amended Family Assistance Law, a child ceases to be enrolled if eight continuous weeks pass without the child attending a session of care at the service.</p> <p>This provides a consistent timeframe across all service types, whereas before 2 July 2018, enrolments were taken to cease after different periods of non-attendance depending on the service type and whether an enrolment advance was claimed.</p> <p>This arrangement is a requirement under the amended Family Assistance Law and has been implemented to ensure that enrolments at each child care service type are current and do not remain open indefinitely in the system.</p>
Absences	<p>An occasion when a child is not physically present for a session of care that has been agreed under a Complying Written Arrangement.</p> <p>Up to 42 absence days in a financial year will be eligible for subsidised care without the need to provide reasons for the absence.</p>
Activity test	<p>An assessment of the combined hours of work, training, study, recognised voluntary work or other recognised activity undertaken by a family. The activity test is used to determine the number of hours of subsidised care to which a family will be entitled.</p>
Additional absence day	<p>An absence day that occurs after a child has been subsidised for 42 absence days in a financial year.</p> <p>Child Care Subsidy can only be paid for additional absences that occur due to a reason specified under Family Assistance Law.</p>
Additional Child Care Subsidy	<p>A payment that provides targeted fee assistance to families and children facing barriers in accessing affordable child care in certain circumstances.</p>
Adjusted taxable income	<p>Adjusted taxable income is used to assess eligibility for some benefits and payments, including Child Care Subsidy. Adjusted taxable income may include taxable income, foreign income, investment losses, reportable fringe benefits and superannuation contributions. For Child Care Subsidy, in the case of a family it is the combined adjusted taxable income of both individuals.</p>
Approved provider	<p>A provider of child care that has been approved under Family Assistance Law to receive and pass on Child Care Subsidy on behalf of the Australian Government.</p>
Arrangement	<p>An agreement between a child care provider and an individual or organisation to provide child care in return for child care fees.</p>
Australian Business Register	<p>The register of businesses and organisations that have an Australian Business Number.</p>
Australian Children's Education & Care Quality Authority (ACECQA)	<p>The national body established under the National Law to support states and territories to deliver best-practice regulation of early learning and child care and ensure national consistency in improving quality outcomes for children.</p>
Budget Based Funded program	<p>A program that supported child care services in locations where the market would not otherwise be viable. The program closed on 30 June 2018. Eligible services are now supported through other programs.</p>
Centre Based Day Care	<p>Child care that is provided in licensed or registered centres. It can include any pattern or arrangement of care provided in this setting.</p>
Centrelink	<p>The agency that delivers payments and services to individuals and families on behalf of the Australian Government.</p>
Centrelink online account	<p>The account used to access Centrelink online services.</p>

Term	Definition
Change of family circumstances	An event that changes an individual's eligibility for Child Care Subsidy or the amount of subsidy that they are entitled to be paid.
Child	The child who receives early learning and child care.
Child at risk	A child at risk of serious neglect or abuse and who meets the relevant criteria.
Child Care Safety Net	<p>Targeted assistance to vulnerable and at-risk children and their families, as well as supporting child care services in disadvantaged communities to address barriers in accessing child care.</p> <p>The Child Care Safety Net has three components:</p> <ul style="list-style-type: none"> • Additional Child Care Subsidy • Community Child Care Fund • Inclusion Support Program.
Child care software	Software developed and provided by commercial providers to interact with the Australian Government's Child Care Subsidy System and to support administration and management activities for child care services.
Child Care Subsidy System	The technical platform through which providers and families interact with Australian Government in relation to child care subsidies.
Claim	A family's application for financial assistance for child care from the Australian Government. The claim includes information about a family's circumstances, income and activity levels that allows eligibility and entitlements for Child Care Subsidy to be assessed.
Claimant	A person (the individual) who is applying to be eligible for Child Care Subsidy or Additional Child Care Subsidy.
Community Child Care Fund	A fund designed to help eligible child care services address barriers to child care participation, particularly in disadvantaged communities, including Indigenous communities.
Complying Written Arrangement	An arrangement (an agreement between a child care provider and an individual to provide child care in return for fees) that includes required information.
Customer Reference Number	An individual reference number allocated by Centrelink for each child and one for each parent or guardian who is claiming Child Care Subsidy (or any welfare benefit via Centrelink).
Debt	If an individual or approved child care provider has been paid more than they were entitled to receive, the amount more than their entitlement is a debt to the Australian Government.
Educator	A person who provides care for someone else's child or children at a child care service, in their own home or, in the case of In Home Care, in the child's own home.
Enrolment	An enrolment occurs when the provider has an arrangement with an individual or organisation to provide care to a child and the provider submits an enrolment notice in the Child Care Subsidy System. It is a requirement under Family Assistance Law for all children who attend child care (or have an arrangement for care) to have an enrolment notice regardless of their Child Care Subsidy eligibility status.
Enrolment notice	The notice given by a provider through the Child Care Subsidy System that they have made an arrangement with an individual or organisation to provide care to a child.

Term	Definition
Exceptional circumstances	Circumstances that affect a child or family that justify variations to Child Care Subsidy eligibility requirements, such as residency or immunisation or other conditions of Child Care Subsidy—determined by the Australian Government on a case-by-case basis in response to an application.
Family Assistance Law	Has the same meaning as in section 3 of the <i>A New Tax System (Family Assistance) (Administration) Act 1999</i> and includes <i>A New Tax System (Family Assistance) Act 1999</i> ; the <i>A New Tax System (Family Assistance) (Administration) Act 1999</i> ; and legislative instruments made under those Acts, including the <i>Child Care Subsidy Minister's Rules 2017</i> and the <i>Child Care Subsidy Secretary's Rules 2017</i> .
Family Day Care	A type of child care that is usually provided in the home of an educator.
Fee reduction amount	The Child Care Subsidy payments a provider receives on the behalf of an individual. Fee reduction amounts will be adjusted for withholding of 5 per cent where it applies (although this amount can be varied).
Financial hardship	Occurs when there is an unforeseeable event that reduces a family's ability to pay for child care fees.
Fit and proper person	A person who is considered suitable to be involved in the administration of child care subsidies on behalf of the Australian Government and families, having regard to matters including their history of compliance with the law and responsible financial management.
Grandparent	Natural, adoptive or step-grandparent (or great-grandparent) of the grandchild. Includes the grandparent's (or great-grandparent's) current or former partner.
Harm	Detriment to a child's wellbeing.
Hourly rate cap	The maximum amount the Australian Government will subsidise for each hour of care. Hourly rate caps are different for different care types. They provide a guide to providers and families about what a high fee might be.
Hourly session fees	<p>Hourly session fees are the amount that the individual, or the partner, must pay for a session of care, divided by the number of hours in the session and reduced by:</p> <ul style="list-style-type: none"> • the hourly rate of any subsidy (other than Child Care Subsidy and Additional Child Care Subsidy) that the individual benefits from for that session—such as a subsidy paid by the parent's employer to reduce their child care fees • the amount per hour of any reimbursement fringe benefit that is paid to the individual for that session. <p>Hourly session fees are required to calculate Child Care Subsidy entitlements, but providers may charge fees on a sessional basis.</p>
In Home Care	A flexible form of early childhood education and care where an educator provides care in the child's home. It is restricted to families who are unable to access other forms of early childhood education.
Inclusion Agencies	Agencies contracted by the Australian Government to help child care providers make their services more inclusive for children with particular needs, such as disability.
Inclusion Development Fund	Funding available to assist eligible child care services to address a barrier to inclusion that cannot be addressed through the support of an Inclusion Agency.
Inclusion Support Program	A program that assists child care services to include children with additional needs by providing tailored inclusion advice and support from contracted Inclusion Agencies as well as funding to address more challenging inclusion barriers.

Term	Definition
Individual	The person who is liable to pay the child care service fees. The individual is often the child's parent (or the parent's partner) but may be another adult with legal responsibility for the child.
'Initial 42 days' absence	One of up to 42 days' absence for which Child Care Subsidy is payable for a child in a financial year, with no reason required to be given.
JETCCFA	Jobs, Education and Training Child Care Fee Assistance—a payment that ceased on 30 June 2018.
Lower income threshold	The family income threshold above which the Child Care Subsidy percentage first starts to decrease.
Minister's Rules	A legislative instrument that provides certain details about how Family Assistance Law is implemented.
myGov	The website that provides a secure way for individuals and families to access Australian Government services, including their Centrelink online account, with one login and one password.
National Law and National Regulations	Refers to the <i>Education and Care Services National Law Act 2010</i> and the <i>Education and Care Services National Regulations 2011</i> , which set a national standard for children's education and care across Australia. In effect, the same law is applied in each state and territory but with some variation for the needs of each state or territory.
National Quality Framework	A jointly governed uniform national approach to the regulation and quality assessment of education and care services, including a national legislative framework that consists of the National Law and National Regulations; a National Quality Standard; and an assessment and rating system.
Neglect	A failure to be provided with the basic needs that are essential for the child's physical and emotional wellbeing.
Nominated child	For In Home Care only—to apply the Child Care Subsidy In Home Care family entitlement, one child in each session of care must be nominated and have the fee reported against them. Refer to the <i>In Home Care Handbook</i> for further guidance.
Non-standard hours	Hours of care in a child care service outside standard hours. Applicable only to Family Day Care and In Home Care services.
Notifications	Changes in the circumstances of an approved provider, which the provider is required to notify to the Australian Government under Family Assistance Law.
Outside School Hours Care	Provides care before and after school hours and during school vacations for children who normally attend school.
Parenting/consent order	An order made by the Family Court when parents cannot decide matters concerning their children.
Payment advice	Notification issued to providers by the Department of Human Services setting out the details of entitlements calculated and payments made for children enrolled in their service. Payment advice is issued through the provider's child care software or the PEP.
Payment and Service Finder	An online payment finder that helps families identify which payments they may be entitled to receive.
Principal carer	A grandparent who is assessed as the principal carer of their grandchild must provide all or at least 65 per cent of ongoing daily care for the child and have substantial autonomy for the day-to-day decisions about the child's care, welfare and development.

Term	Definition
Provider	A person or business entity that is responsible for operating a child care service (or services).
Provider Digital Access (PRODA)	A system to authenticate an individual's digital identity so that they may interact with various government digital and online systems without requiring identity verification for every interaction.
Provider Entry Point (PEP)	Part of the secure Child Care Subsidy System through which providers can apply for provider and service approval and which subsequently enables them to access information, add or remove a service, make notice of a change in their circumstances, and give enrolment notices and session reports in relation to Child Care Subsidy.
Provider ID	A provider's unique identity number in the Child Care Subsidy System.
Reconciliation (income review)	A process that happens when an individual submits their tax return (or a statement that no tax return is required) after the end of a financial year. The individual's actual income is determined, and Child Care Subsidy payments that should have been made are calculated and compared with the payments they received (based on estimates). After reconciliation, any outstanding subsidy will be paid to the individual or notification will be given of any debts incurred.
Regular care	Occurs when a child is in the individual's care for at least 14 per cent, but less than 35 per cent, of a care period and would be a Family Tax Benefit child of the individual but for the child being in the individual's care for less than 35 per cent of the care period.
Regulatory authority	The state and territory authority responsible for the administration of the National Quality Framework within that jurisdiction.
Reimbursement fringe benefit	The amount by which an individual or the individual's partner is reimbursed by a person for the individual's or partner's liability to pay for a session of care. If the reimbursement is a fringe benefit within the meaning of the <i>Fringe Benefits Tax Assessment Act 1986</i> , or would be such a fringe benefit but for paragraph (g) of the definition of 'fringe benefit' in subsection 136(1) of that Act.
Rural/remote locations	Non-metropolitan areas that are defined in the Australian Standard Geographic Classification as 'inner regional', 'outer regional', 'remote' or 'very remote'.
School-age child	<p>A child who:</p> <ul style="list-style-type: none"> • attends primary or secondary school • is on a break from school and will be returning to primary or secondary school after that break (for example, school holidays), or • has reached six years of age. <p>School-age children include children who attend the year before Grade 1 of primary school.</p>
Secretary's Rules	A legislative instrument that provides certain details about how Family Assistance Law is implemented.
Service	The child care that is delivered by a provider in a site or setting. There are different types of child care services. One provider may deliver one or more services, which may include different service types and/or different service sites.
Session of care	The period that a provider is charging a fee for providing care to an enrolled child.
Shared care	When two or more people (often, but not always, separated parents) are responsible for the care of the child and are both individuals for the purposes of Child Care Subsidy.
Sibling	A brother, sister, half-brother, half-sister, adoptive brother, adoptive sister, stepbrother or stepsister.

Term	Definition
Statement of Entitlement	A fortnightly statement from a provider to a family giving details of sessions of care provided, the child's attendance and resulting fee reduction amounts.
The Secretary	The Secretary of the Australian Government Department of Education.
Vacancy	<p>An unfilled and available place in a child care service:</p> <ul style="list-style-type: none"> • for a Centre Based Day Care service or a Family Day Care service—an ongoing full day vacancy • for an Outside School Hours Care service—an ongoing full session vacancy.
Vacation care	Where a parent only utilises child care during school holidays.
Withholding	Five per cent of Child Care Subsidy, usually withheld by the Department of Human Services, to reduce the likelihood that individuals will incur a debt. The amount withheld will be part of the gap fee that needs to be paid by parents.
Working with children checks	A process to screen a person's criminal records and any reports about professional conduct that may affect their suitability to work with children. This is one of several safeguards to provide safe environments for children. The name of the check and the process may be different in different states and territories.

Index

For easy access to direct links to external online resources, and to ensure that the latest version of the handbook is being used, we recommend that providers refer to the website version where possible.

The online website version will allow providers to use hyperlinks and the search engine to search for further specific information which may not be listed in this index.

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