

## Managing the costs of child care

To make child care more affordable, the federal government offers parents financial assistance to help cover the costs. However, in July 2018, the government made some important changes to the child care system. Here's what you need to know.

Raising a family can be extremely rewarding, but also incredibly expensive. And now, more and more parents are relying on paid child care services so they themselves can continue working – even when their kids are still very young.

Fortunately, Australian families can receive a helping hand from the government to keep up with the rising costs of child care. Previously, there were two types of financial assistance on offer, but these have now been replaced by a single Child Care Subsidy (CCS).

Here's how the new system works – and what you need to do if you've been receiving benefits under the old system.

### The new childcare package

On 2 July 2018, the CCS replaced both the Child Care Benefit and the Child Care Rebate. The CCS is based on your household income and the amount of work, study or training you and/or your partner currently do.

To apply for the CCS, you need to complete a Child Care Subsidy assessment online through [myGov](#). Depending on your income and your work or study situation, you could receive a subsidy to cover between 20% and 85% of your child care fees.

In the 2018/19 financial year, families earning between \$186,958 and \$351,248 will enjoy an increase in the current annual cap (currently \$7,613 for each child, each year) to \$10,190 per child<sup>1</sup>. Families with incomes above the upper threshold won't be eligible for the subsidy.

Unlike the previous Child Care Benefit and Child Care Rebate, CCS payments are made directly to your child care provider. This means you only need to pay your provider the gap between your subsidy amount and the total fee.



### For more information

If you're transitioning to the new system or applying for childcare payments for the first time, you can find more on the [Department of Human Services website](#). And remember, moving to the new system won't happen automatically, you'll need to complete the [Child Care Subsidy assessment](#) before you can start claiming.

<sup>1</sup> Australian Government, [The new child care package](#), 2018.

## Speak to us for more information

If you would like to know more, talk to your Count financial adviser. They can give you more detailed information on the best approach for your situation.

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