



Australian Government

Department of Families,  
Community Services  
and Indigenous Affairs



## What do the changes in child care mean for families?

The Australian Government's 2007-08 Budget provides increased benefits for families using approved child care. It has made an extra \$2.1 billion investment that focuses on providing extra assistance for families with the cost of child care. This investment also assists families in outer regional and remote communities as well as those with specific needs.

From July 2007 families will receive a substantial increase in assistance with the cost of child care. The two key changes that will benefit families relate to:

1. Child Care Benefit (CCB) which subsidises child care fees paid by families either through a fee discount or through a lump sum payment at the end of the financial year.
2. Child Care Tax Rebate (CCTR) which pays families 30% of out-of-pocket child care costs up to \$4 000 per child per year, indexed annually.

### Helping families with the cost of child care

#### Child Care Benefit (CCB)

Your CCB rate will increase by more than 13% from July 2007. Every year in July the CCB rate increases – this year it was due to increase by 3.3% but the Government realises parents need more financial support and will increase it by a further 10% on top of the regular increase.

Therefore whatever income you are on you will receive extra assistance through CCB. Depending on your circumstances, you may be eligible for up to an extra \$20.50 per child a week towards your child care fees.

Your rates will be automatically adjusted by the Family Assistance Office. If you receive CCB as a fee discount, your service will pass this benefit on to you through reduced fees. If you receive the benefit as a lump sum, you will have a larger payment following lodgement of your 2007-08 tax return.

#### Child Care Tax Rebate (CCTR)

The CCTR has meant that working families have been able to claim up to 30% of their out-of-pocket child care expenses up to \$4 000 per child per year, indexed annually. This entitlement has not changed, but the process for payment has – it has been removed from the tax system. This means that your CCTR can now be paid at the end of the year in which you have been using child care.

This change is also important for families who previously may not have paid enough tax to be able to claim the full 30% rebate. With the new payment, working families will receive 30% of their out-of-pocket expenses irrespective of the amount of tax that has been paid.

#### If you used approved child care in 2005-06

For child care costs incurred in 2005-06 you will still need to claim the CCTR in your 2006-07 tax return against your taxable income.

#### If you used approved child care between 1 July 2006 and 30 June 2007

If you use child care in this period you will receive the new CCTR. This will be a payment directly into your bank account, available from September this year. To receive it, you will still need to lodge your tax return in order to reconcile your CCB payment.



There are a range of other measures designed to support the specific needs of various families. The programs include:

#### **JET Child Care fee assistance**

- ▶ If you receive an income support payment you can receive assistance with the cost of child care while you look for a job, study or start work. The Government has provided extra funding to help more families access this program.

#### **Inclusion Support Subsidy**

- ▶ Some children need additional support in order to use mainstream child care. To support these children, child care services can access extra funding through the Inclusion Support Subsidy. This increased funding will allow an additional 3 000 children to be supported each year.

#### **Regional and remote communities**

- ▶ The Government has provided extra support to a range of child care service types so that communities in regional and remote Australia can access quality child care. This includes establishing new services and supporting existing services.

#### **Quality of child care**

- ▶ The Australian Government is committed to ensuring tax payer dollars support quality child care for children. As such, programs are in place to ensure that approved child care services meet quality standards.

### **Where can I find out more information on the child care budget measures?**

The Government has a range of fact sheets on child care assistance available for families on the website at [www.facsia.gov.au](http://www.facsia.gov.au).

### **Who can I contact for more information?**

- ▶ The Department of Families, Community Services and Indigenous Affairs
  - ▶ Visit [www.facsia.gov.au](http://www.facsia.gov.au)
  - ▶ Local State and Territory Office on 1300 653 227 (local call cost only, calls from mobile phones charged at mobile rates)
  - ▶ Child Care Compliance Tip-off Line 1800 664 231
- ▶ Family Assistance Office
  - ▶ Visit [www.familyassist.gov.au](http://www.familyassist.gov.au)
  - ▶ Send an email through [www.familyassist.gov.au](http://www.familyassist.gov.au)
  - ▶ Call 13 6150\* between 8am and 8pm (local time) Monday to Friday.
  - ▶ Visit a Family Assistance Office near you. They are located in Medicare offices, Centrelink Customer Service Centres and Tax Office shopfronts.
  - ▶ Call the Teletypewriter (TTY) Freecall™ 1800 810 586\* service (if you are deaf or have a hearing or speech impairment). You need a TTY phone to use this service.
  - ▶ Call 13 1202\* if you need information in a language other than English.
- ▶ Child Care Access Hotline
  - ▶ Call 1800 670 305 (free call) Monday to Friday between 8am and 9pm, Australian Eastern Standard Time.
  - ▶ Call the Teletypewriter (TTY) Freecall™ on 1800 639 327.

*\* Calls to 13 numbers cost 25 cents from anywhere in Australia. Calls to 1800 numbers are free. Calls from public pay phones or mobile phones are charged at a higher rate.*