



What is 'liability to pay' for child care fees?

The Australian Government provides financial assistance through the Child Care Subsidy or Additional Child Care Subsidy to eligible families to help cover the cost of child care and to encourage workforce participation.

Who is responsible for paying child care fees?

One or more 'individuals' may be responsible for the child's care and liable to pay the child care fees.

Who is the 'individual' in a family?

The individual is the person who is responsible for a child's care and liable to 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 one of the child's parents. 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.

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If a third party – such as the state, an employer or other organisation – is liable for all or part of the child's child care fees, there is no Child Care Subsidy or Additional Child Care Subsidy payable for the part of the fees for which the organisation is liable. Only individuals can be eligible for these subsidies.

Why does the 'individual' need to have a Complying Written Arrangement?

An individual must have incurred a liability to pay for a session of care under a Complying Written Arrangement to be eligible for Child Care Subsidy. This is a core part of eligibility for Child Care Subsidy or Additional Child Care Subsidy. It establishes the liability of the individual to pay for child care.

A Complying Written Arrangement must be recorded in writing, in either hardcopy (paper) or electronic form. An arrangement can cover more than one child, if multiple children in a family attend the child care service. Without a Complying Written Arrangement containing all the information required, the individual will not be eligible for Child Care Subsidy.

Can both parents enter into a Complying Written Arrangement with their provider?

It is also possible for both members of a couple to enter into a Complying Written Arrangement with a provider and both be liable for payment of the fees. Either of these individuals could also be the Child Care Subsidy claimant.

It is possible for one member of a couple to incur the liability for fees (enrol the child under a Complying Written Arrangement), and the other member of the couple to be the Child Care Subsidy claimant, however, in this case, the relationship between the liable individual and the claimant would need to be confirmed. As this may slow the claim process down, it is recommended the member of the couple who has entered into the Complying Written Arrangement with the provider, also lodges the Child Care Subsidy claim.

What if a third party (such as an employer) is subsidising child care costs?

Some employers may allow employees to salary sacrifice the cost of their child care. The issue of liability depends on who has the obligation to pay the child care fees. If a person is not sure who is legally obligated to pay the fees they will need to clarify this with their employer. If the employer is liable for all the child care fees, there will be no Child Care Subsidy or Additional Child Care Subsidy payable.

Where can I get further information on the Child Care Package?

Department of Education, Skills and Employment Child Care Package: dese.gov.au/ecc

Services Australia Child Care Subsidy: servicessaustralia.gov.au/childcaresubsidy