



# CHANGES TO Child Care Subsidy Gap Fee Payments

## INFORMATION FOR FAMILY DAY CARE EDUCATORS

From 1 July 2023, families using family day care will be required to pay the Child Care Subsidy (CCS) gap fee via Electronic Funds Transfer (EFT).

### WHAT YOU NEED TO KNOW

#### What changes are being made to the payment and collection of CCS gap fees?

From 1 July 2023, families using child care must pay their CCS gap fee using Electronic Funds Transfer (EFT). The CCS gap fee is the difference between the full child care fee and the amount of CCS that families are entitled to receive.

#### What is EFT?

EFT is where you pay a bill via electronic means i.e. not cash. Examples of common EFT methods include bank transfer, direct deposit, bank or credit card payments, mobile wallets, BPAY and Centrepay.

#### Why are these changes being made?

Family day care approved services have always had an obligation to ensure that the CCS gap fee is being collected. However, where gap fees are collected in cash by educators, it can be difficult for services to meet this obligation. Mandating the collection of CCS gap fees via EFT makes it easier for services to ensure they are meeting their obligations of ensuring the gap fee is being paid.

Additionally, services will be required to demonstrate adequate oversight of EFT CCS gap fee collection in the event of an audit by the Australian Government.

### WHAT DOES THIS MEAN FOR ME?

As a family day care educator, you need to be aware of these changes in the law and ensure that you understand how they will impact your service's policies and processes and your families.

In summary, there are two ways that EFT gap fees can be collected in a family day care context. Either a service allows educators to act as an agent on behalf of the provider and collect the CCS gap fee or the service collects the CCS gap fees centrally and then disburses payments to educators (or a mixture of both methods).

#### Where educators collect CCS gap fees on behalf of services

If you currently collect CCS gap fee payments directly from parents/guardians, acting as an agent on behalf of your service, then this is still possible under the new requirements as long as the payments are collected via an EFT method.

From 1 July 2023, educators must not accept cash from families.

The majority of families may already pay their gap fee via EFT. This means that many families' method of paying the gap fee will remain unchanged as of 1 July 2023.





However, for those families that currently pay the gap fee payments via cash – you must establish an EFT payment option with them before 1 July 2023.

If you will continue to collect the CCS gap fee, it is essential that you engage with your service to ensure you are aware of any changes to policies, procedures or record keeping requirements and the service's preferred EFT payment option/s.

### **Where approved services collect the CCS gap fee centrally**

If your approved service already collects the gap fee centrally and subsequently disburses payments to educators, changes may be minimal. However, you should still check with your approved service to ensure you are compliant with the law as of 1 July 2023.

If your service is in the process of implementing a centralised method of collecting CCS gap fee payments, you should engage with your service to ensure you are aware of any changes to policies, procedures, record keeping requirements and your service's preferred EFT payment option/s.

### **Understand the EFT options and keep families informed**

Families may seek information directly from educators regarding these changes to CCS gap fee payments including your service's preferred EFT payment option/s. In the first instance, you should contact your service to check what information they will be providing and any changes to processes and policies for families.

By keeping families informed and working closely with them you can help to ensure the transition process is a smooth and successful one.

FDCA has also developed a simple factsheet to assist family day care educators and services in communicating the changes in gap fee collection to families. This has been provided in hard copy form to educators and is also available online at [www.familydaycare.com.au/supporting-you/EFT](http://www.familydaycare.com.au/supporting-you/EFT).

### **Review your record keeping processes**

If you are an educator who will continue to collect CCS gap fee payments acting as an agent on behalf of the service you are registered with, you need to ensure your billing processes are accurate and up to date and allow for tracking of CCS gap fee payments.

You may wish to open a business-only bank account if you haven't already done so.

It is also important to discuss with your service about specific measures they may want to put in place for issuing invoices and receipts to families, including any automated payment services you are able to access through your CCS software provider.

### **USEFUL RESOURCES:**

- Visit [www.servicesaustralia.gov.au/child-care-subsidy](http://www.servicesaustralia.gov.au/child-care-subsidy) to learn more about the Child Care Subsidy
- Visit [www.education.gov.au/child-care-package/child-care-subsidy/child-care-fees](http://www.education.gov.au/child-care-package/child-care-subsidy/child-care-fees) to learn more about gap fees
- Visit [www.familydaycare.com.au](http://www.familydaycare.com.au) for more information or contact us on 1800 658 699 or at [enquiries@fdca.com.au](mailto:enquiries@fdca.com.au)

