DIRECT GAP FEE COLLECTION AND IN HOME CARE

What Families Need to Know

From 1 January 2026, all In Home Care services across Australia will transition to a new way of collecting fees: Direct Gap Fee Collection (DGFC).

This means that families will begin paying their gap fee directly to the IHC service provider—not to the educator.

What Is the Gap Fee?

The gap fee is the difference between the total hourly fee your service charges and the Child Care Subsidy (CCS) you receive from the government.

For example:

If your hourly care cost is $35 and your CCS covers $25, your gap fee is $10/hour. Under DGFC, this $10/hour will be paid directly to the service—not to your educator.

DGFC

What's Changing Under DGFC?

Current Process		New Process from Jan 2026
You may pay gap fees to your educator	→	You will pay gap fees to your IHC service provider
Educator may handle invoices and receipts	→	Invoices will come from your service
Payment methods vary	→	Electronic payments to the service

Why This Change is Important

The Australian Government is introducing DGFC to:

- ✓ Ensure CCS is used correctly and fairly
- ✓ Protect families and educators with consistent, secure payments
- ✓ Reduce administrative burdens on educators, so they can focus on your child's education and care
- ✓ Build confidence and transparency in child care systems across the country

What This Means for You as a Family

You will still receive the same level of education and care from your educator, but your financial interactions will change slightly:

What Stays the Same:

- ✓ You continue to receive CCS.
- ✓ Your child's educator and care experience remain unchanged.

What's Different:

- ✓ You'll receive invoices directly from the IHC service.
- ✓ You'll pay your gap fee electronically to the IHC service (not to the educator).
- ✓ Educators will no longer handle any payment collection.

Here are some simple steps to help you get ready:

1. Talk to Your Service

   Your IHC service will provide details about:
   - Your new payment method
   - How to read your invoice
   - When your first DGFC payment is due

2. Set Up Electronic Payments

   Most services will offer direct debit or BPAY options. This is safer, trackable, and easier for families.

3. Ask Questions Early

   Your IHC service team is here to support you. Don't hesitate to reach out with any concerns about:
   - CCS amounts
   - Payment plans
   - Family financial hardship options

Need Help?

Your IHC service provider is your main point of contact. They can:

→ Walk you through your new payment process

→ Help with CCS queries or reassessments

→ Support you if you're facing financial hardship

For more information:
- Contact your IHC service directly
- Visit education.gov.au for CCS policy updates
- Call the Centrelink Families Line for CCS-related inquiries