



Reporting requirements for prescribed discounts

What is happening?

From 7 July 2025, it will be mandatory for approved Child Care Subsidy (CCS) providers to report prescribed third-party payments and prescribed provider-funded discounts when submitting and updating session reports.

Providers will also be able to voluntarily report non-prescribed third-party payments and provider-funded discounts that are not prescribed in Family Assistance Law (FAL) (i.e. reduce CCS entitlement).

Why is this change happening?

One of the core principles of CCS is that families make co-contributions to their early childhood education and care (ECEC) fees. They do this by paying the gap fee.

There are certain circumstances where a discount may be applied that reduces or removes a family's co-contribution, with no impact on the family's CCS entitlement. These are referred to as prescribed discounts and include:

- prescribed third-party payments for preschool children
- prescribed third-party payments for vulnerable or disadvantaged children
- prescribed provider-funded educator and cook discounts
- prescribed provider-funded discounts for families affected by emergencies.

Additionally, some third parties and providers may choose to offer discounts that reduce a family's hourly session fee. These are referred to as non-prescribed discounts and would reduce the hourly fee, therefore reducing the family's CCS entitlement.

This mandatory reporting ensures that all prescribed discounts are captured systematically and are traceable within session reports for compliance and policy monitoring purposes.

When will it commence?

The new reporting requirements applies to session reports for weeks from 7 July 2025 onwards. Providers must complete the new mandatory fields for reporting prescribed discounts in session reports from this date.

What supports are available?

The department and Services Australia are working with registered software providers to integrate this change into registered software, with testing having commenced in March 2025. Changes will also be made to the Provider Entry Point (PEP) session submission fields to support the new reporting requirements.

The department is working with state and territory governments to develop guidance regarding third-party payments for preschool children. The department will also make guidance available for other payment and discount categories, as well as detailed PEP task cards, GECCKO and Compliance training, and frequently asked questions (FAQs) on our website.

What impacts will the changes have on the current session report?

As part of session reports, the department will be introducing new mandatory fields for providers to input regarding prescribed discounts. This information will need to be provided at the session level:

- a) whether a prescribed discount has been applied
- b) the type and value of the discount(s).

Reporting of multiple discounts will be supported.

Providers will also be given the option to provide information on non-prescribed discounts via voluntary fields in the session report. Voluntary reporting of non-prescribed discounts will allow the department to have a clearer understanding of how early childhood education and care affordability is being supported outside of government initiatives (for example, private employer subsidies).

Will any changes be made to the Family Assistance Law?

As well as changes to session report requirements, changes will be made to FAL to consistently require providers to:

- make and keep records of prescribed discounts;
- include information regarding prescribed discounts within fortnightly statement of entitlements for families.



What are some examples of prescribed vs non-prescribed payments and discounts?

Prescribed Discount (No impact on CCS entitlement)	Non-Prescribed Discount (Reduces the hourly fee, therefore reducing CCS entitlement)
State and territory Third-Party Payment (TPP) for preschool child (e.g. NSW Start Strong Program, ACT Three-Year-Old Preschool Program)	Provider loyalty discount or enrolment incentive for families
State and territory TPP to subsidise a family's ECEC fees at CCS-approved services for children in vulnerable or disadvantaged circumstances	Fees paid by an Adult Migrant English Program service provider
Provider discount for a child of an educator or a cook that is employed by the provider	Provider discount for administration staff
Provider discount for a Period of Emergency, also known as a gap fee waiver	Fees paid by a family's employer

What do I need to do now?

No action by providers is required before 7 July 2025. Make sure to keep an eye on information and resources in the coming months on how to access hands-on practical support for the transition.

We recommend subscribing to our [weekly newsletter](#) and joining our [Facebook Group](#) to get updates.

