



3 Day Guarantee – Early Education

The Australian Government is replacing the Child Care Subsidy (CCS) Activity Test from January 2026 to guarantee at least 3 days of subsidised early childhood education and care (ECEC) each week for children who need it.

How will this initiative work?

From January 2026, all families will be eligible for at least 72 hours of subsidised ECEC per fortnight (3 days per week), regardless of their activity levels.

Families can still get 100 hours of subsidised ECEC per fortnight if they meet activity requirements or have a valid exemption.

Families caring for a First Nations child will be eligible for 100 hours of subsidised ECEC per fortnight.

Why is this important?

The 3 Day Guarantee will support universal access to ECEC and help ensure more children are school-ready. It will also provide targeted cost-of-living relief to families.

The Productivity Commission's final report, *A path to universal early childhood education and care* (released September 2024), was clear that the children and families most likely to benefit from ECEC are the least likely to attend.

Who will benefit?

The 3 Day Guarantee will benefit all families through certainty around eligibility for subsidised ECEC.

In its first full financial year the 3 Day Guarantee will benefit around 66,700 families, and more than 100,000 families will be eligible for additional hours of subsidised care.

Families earning over \$533,280 in 2024-25 are not eligible for subsidised care – consistent with current settings.

Example of benefits

Sarah and Alex are a couple with one child accessing ECEC at 3 days (36 hours) per week. Their combined family income is \$90,000 per annum. Sarah works full-time and Alex works 8 hours per week.

Previously, they were eligible for 18 hours of subsidised ECEC per week (36 hours per fortnight). From January 2026, they are eligible for 36 hours per week (72 hours per fortnight).

This saves them \$230 per week of care (\$11,400 per annum) from their provider charging the average Centre-Based Day Care hourly fee.¹

For different family income thresholds, the better off amounts are:²

Annual income	Better-off per week	Annual better-off ³ (50 weeks of care)
\$90,000	\$230	\$11,400
\$120,000	\$220	\$10,630
\$140,000	\$200	\$10,110

How much will it cost?

The Australian Government will invest \$426.7 million over five years from 2024-25, including implementation costs for Services Australia, to guarantee eligibility to at least 3 days of subsidised ECEC each week for children who need it.

¹ Assumes one child in care for 36 hours per week 50 weeks per year, with the average projected fee for 2025-26; better off figures rounded.

² Better off figures rounded.

³ Annual better off amounts do not align with weekly better off amounts due to rounding. NB: figures also rounded to nearest \$10.