

Childcare Assistance – Improving Accessibility and Supporting Take-Up

Improving access to childcare payments to ease cost-of-living pressures on parents and support workforce participation
Wellbeing Budget 2023

This initiative improves the accessibility of Childcare Assistance to support take-up, expands Flexible Childcare Assistance and increases the Guaranteed Childcare Assistance payment rate.

The Government is investing \$35.162 million over four years (2023/24 to 2026/27) to improve the accessibility of Childcare Assistance to support take-up by enabling online applications, expanding Flexible Childcare Assistance, and aligning the Guaranteed Childcare Assistance Payment rate with the highest Childcare Assistance subsidy rate and indexation to inflation.

- Increasing access to suitable and affordable childcare is a key factor in low and middle-income parents and caregivers being able to enter or remain in employment, education, or training, especially for low-income families.
- From November 2024, this funding will improve the administration of Childcare Assistance by enabling parents and caregivers to apply online, access notifications of upcoming events and milestones, and advise of changes in circumstances or update their details to enable more timely changes to entitlement and reduce the possibility of incurring debt. In November 2024, it is estimated that there will be 34,300 children for whom Childcare Assistance is paid.
- Changes will be made to Flexible Childcare Assistance, with the rate being increased, eligibility criteria expanded to people receiving a main benefit and couples (previously only sole parents could apply), and the duration period being extended. This will support parents and caregivers with the costs of informal care when formal care is not available. For example, parents who are working non-standard hours could access up to \$64 for one child and \$32 for subsequent children (up to a maximum of \$192) per week. Around 540 families are expected to be supported by these changes in 2024/25.
- Increasing the Guaranteed Childcare Assistance Payment to the highest Childcare Assistance subsidy rate and indexing it to inflation will provide greater support for young parents. In April 2024, it is estimated that there will be 150 children for whom Guaranteed Childcare Assistance Payment is paid.
- These measures will help reduce some of the cost-of-living pressures faced by families at a critical time, which could reduce the number of children experiencing material hardship. It will also support greater parental participation in the workforce and training.
- As part of the Childcare Assistance review, the Government has already made changes which came into force on 3 April 2023, increasing the income thresholds for the Childcare Subsidy and OSCAR subsidy, undoing the freeze on thresholds that have been in place since 2010 and increasing the number of parents and caregivers who are eligible for this support. Additionally, the Government indexed the income thresholds to wage growth from 1 April 2022 onwards.

Costs (\$m)	2022/23	2023/24	2024/25	2025/26	2026/27	TOTAL
Opex		1.296	5.522	7.460	7.600	21.878
Capex		7.915	5.369			13.284