



Child Care Subsidy Reform – additional integrity

The Australian Government will provide further resources to reinforce and safeguard the Child Care Subsidy (CCS) against fraud and non-compliance.

This builds on the CCS Reforms Integrity Package from the October 2022 Budget.

Why is this important?

The Australian Government subsidises the cost of early childhood education and care through the CCS.

This helps ensure children get the best start in life through access to early education, and parents can participate in the workforce, work longer hours, or engage in other activities such as study.

The Government is expected to provide \$10.7 billion in CCS payments in 2022-23 and \$12.7 billion in 2023-24.

Who will benefit?

Safeguarding the CCS helps protect the integrity of Australia's system of early childhood education and care, and prevents non-compliance and fraud within the sector.

The Australian Government's \$4.7 billion Cheaper Child Care reform takes effect from July 2023. The CCS rates will lift to 90 per cent for families on a combined income of \$80,000 or less. From July, the reforms will make early education and care more affordable for around 1.2 million families.

These reforms will encourage more families to access early education and care and incentivise both existing CCS providers and attract new providers.

Providing safeguards and monitoring against CCS fraud and non-compliance ensures that taxpayers' money supports the delivery of genuine early childhood education and care for Australian families.

How much will it cost?

These measures are expected to deliver net savings of \$139.4 million over four years by preventing CCS payments being directed to non-compliant operators or made on fraudulent claims, safeguarding the CCS for children, parents, and the economy.