



Budget 2024-25

This information is accurate as of 14 May 2024.

Child Care Subsidy Reform: further measures for strong and sustainable foundations

This measure will:

- enable Services Australia to build and enhance information in the Child Care Subsidy System (CCSS)
- help safeguard child care from fraud and non-compliance
- provide funding to support a wage increase for the early childhood education and care sector.

Build and enhance information in the CCSS

Enabling Services Australia to build and enhance information in the CCSS will support existing and new policy measures relating to fee discounts given to families by child care services.

Currently, fee discounts given to families are recorded by child care service providers but aren't reported in the CCSS.

This measure will allow Services Australia to develop an IT solution to capture fee discount information in the CCSS. This will allow the Department of Education to accurately track, quantify and report on the application of these discounts.

Safeguard child care from fraud and non-compliance

This measure will also help safeguard child care from fraud and non-compliance. Services Australia will continue to provide cross-agency forensic services to support the Department of Education's Child Care Subsidy (CCS) integrity, regulatory and criminal investigation activities.

Services Australia plays a key role in child care compliance. While the Department of Education regulates approved providers of CCS, Services Australia assesses family claims and entitlements to CCS. This means some criminal investigation activities and regulatory functions need compliance action from both organisations.

This will allow Services Australia to provide digital forensics, forensic accounting and cyber intelligence and investigations capability. These services are critical in achieving successful criminal prosecutions of CCS fraudsters.

Provide funding to support a wage increase for the early childhood education and care sector

Additionally, the government has committed to provide funding to support a wage increase for the early childhood education and care sector.

Services Australia will get \$9.4 million over 2024–25 to 2027–28 to provide payments.

This measure is led by the Department of Education.

This measure isn't subject to legislation passing.

Who this measure affects

This affects early childhood education and child care providers.

When this starts and finishes

This measure will start on 1 July 2024 and is ongoing.