



SENATOR THE HON SIMON BIRMINGHAM

Minister for Education and Training
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MEDIA RELEASE

17 April 2018

Estimate your child care subsidy and make the switch

Australian families can calculate their new child care and early learning subsidies after the Turnbull Government re-launched its online estimator with updated Consumer Price Index figures.

Minister for Education and Training Simon Birmingham said the updated estimator should remind families they need to update their details to switchover to the Turnbull Government's new child care and early learning system which starts on 2 July.

"More support for more families is on its way with our child care and early learning reforms and everyone can find out what it means for them with our online estimator," Minister Birmingham said.

"Nearly one million families are set to benefit from our child care and early learning overhaul which retargets subsidies towards people working the most and to people earning the least and injects an extra \$2.5 billion into the system.

"The biggest winners will be families working, studying or volunteering that earn less than \$250,000 a year and even if your family has a higher income, you'll still stand to gain from our change to lift the annual rebate cap to around \$10,000.

"Once people estimate their subsidy they can also update their details to make the switch to the new system before it kicks off on 2 July. I urge families to visit www.education.gov.au/childcare to estimate their new subsidy and to start the switchover to the new child care and early learning system."

Minister Birmingham said the Turnbull Government's new child care and early learning system would abolish the 15 per cent withholding rule Labor introduced in 2011.

"Our new estimator highlights a default subsidy withholding rate of just five per cent so families will have more money in their pockets when they need it," Minister Birmingham said.

"While Labor's Kate Ellis [claimed](#) Labor's 15 per cent withholding would '...ensure families do not accumulate any unforeseen debts as a result of overestimating their income...', I want to assure families they'll be able to request a lower withholding rate in the system from 2 July and they'll get every cent they're entitled to.

"Once families have received their subsidy estimate and had time to consider it, from 2 July they'll be able to apply to waive or vary the default five per cent rate."

Minister Birmingham said Labor still had no policy and no ideas for child care and early learning.

"Would Labor extend taxpayer support to people who aren't working studying or volunteering? Do they stand by their election policy to deliver a \$176 million annual windfall to families earning over \$250,000?" Minister Birmingham asked.

"After [announcing](#) a listening tour a year and a half ago, Labor still have no solutions to fixing Australia's broken child care and early learning system."

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Background

Overview of the Turnbull Government's reforms:

- More than 370,000 families earning around \$66 958 or less a year will have their base subsidy increase from 72 per cent to 85 per cent.
- Families earning up to \$186 958, will no longer be limited by an annual \$7,613 cap on the amount of child care they can access – that's more than 85 per cent of families using child care and early learning and means families won't run out of subsidy mid-year as happens now.
- Families earning between \$186,958 and \$351,248 will benefit from an increased annual rebate cap of \$10,190 per child.
- An activity test will ensure that taxpayer's support for child care is targeted to those who depend on it in order to work, or work additional hours. It is estimated our reforms will encourage more than 230,000 families to increase their involvement in workforce participation.
- Hourly rate caps will rise from \$11.55 to \$11.77 for Centre Based Day Care, \$10.70 to \$10.90 for Family Day Care, whilst families with children in Outside School Hours Care will also see their hourly rate cap rise from \$10.10 to \$10.29. The hourly rate caps will keep downward pressure on fee increases.
- Our \$1.2 billion Child Care Safety Net recognises vulnerable children and families need extra support.

Examples of how families are set to benefit under the Turnbull Government's plans:

- A family on \$50,000 - both parent/s working, with two children aged under 6 in long day care two days a week at \$100 a day will be around \$2,000 better off a year
- A family on \$80,000 - both parent/s working, with two children aged under 6 in long day care three days a week at \$100 a day will be more than \$3,000 better off a year
- A family on \$150,000 – both parent/s working, with two children aged 6 and under in long day care three days a week at \$100 a day will be more than \$1000 better off a year