



**Hon Carmel Sepuloni**  
Minister for Social Development and  
Employment

PRESS RELEASE  
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## Better childcare assistance for low and middle income families

- The indexation of Childcare Assistance income thresholds to increases in the average wage will benefit 1,000 families, or around 1,500 children
- 3,300 extra places in Out of School Care and Recreation Service

The Government is improving childcare assistance for low and middle-income families so more parents can access support.

“From 1 April 2022, income thresholds for Childcare Assistance will be adjusted every year in line with average wage growth,” Carmel Sepuloni said.

“By indexing income thresholds for Childcare Assistance to average wage growth, we’re supporting parents and caregivers to participate in the workforce.

“These thresholds were frozen by the National-led Government in 2010 so the ability of some working families to access this support has fallen as wages have increased,” Carmel Sepuloni said.

Indexation of the income thresholds for Childcare Assistance is in line with the recommendations of the Welfare Expert Advisory Group and complements the recent increases to main benefit abatement thresholds.

Budget 2021 will also provide for an additional 3,300 places in Out of School Care and Recreation Service (OSCAR) helping about 900 low-income parents to remain, or transition, into employment, training and education.

“OSCAR plays a vital role in supporting parents to gain and maintain employment and engage in further training and education through providing access to low cost childcare services outside of school hours,” Carmel Sepuloni said.

“Some OSCAR programmes provide breakfast and afternoon meals and supervise homework, helping support children’s development and education.

“The new funding will be targeted to communities with high levels of socio-economic deprivation to help combat material hardship and child poverty.

“By targeting the funding, we will also help address a shortage of places to support Māori, Pasifika and migrant communities,” Carmel Sepuloni said.

The Government will invest \$13.3 million over four years from the Budget 2021 operating allowance to index Childcare Assistance income thresholds to annual growth in the net average wage and will also invest \$9 million in the expanded OSCAR programme.

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The following table shows the current income thresholds for eligibility for Childcare Assistance, and what they would be after estimated adjustments on 1 April 2022.

Rates based on wage growth assumptions as at HYEPU 20. The thresholds for our options are calculated, using the original thresholds as base. They may still need to be rounded

	<b>Current</b>	<b>Estimated 1 April 2022 (HYEFU 20 assumptions)</b>
<b>Number of children = 1</b>		
Gross weekly income threshold 1	\$800	\$816.48
Gross weekly income threshold 2	\$1,200	\$1,224.72
Gross weekly income threshold 3	\$1,300	\$1,326.78
Gross weekly income threshold 4	\$1,400	\$1,428.84
<b>Number of children = 2</b>		
Gross weekly income threshold 1	\$920	\$938.95
Gross weekly income threshold 2	\$1,380	\$1,408.43
Gross weekly income threshold 3	\$1,490	\$1,520.70
Gross weekly income threshold 4	\$1,600	\$1,632.97
<b>Number of children = 3 or more</b>		
Gross weekly income threshold 1	\$1,030	\$1,051.22
Gross weekly income threshold 2	\$1,540	\$1,571.73
Gross weekly income threshold 3	\$1,670	\$1,704.41
Gross weekly income threshold 4	\$1,800	\$1,837.09