



Australian Government  
Department of Education,  
Skills and Employment

# Community Child Care Fund Special Circumstances

Transition Payment, Special Transition  
Payment and Additional Viability Support  
Payment Guidelines

<b>Commonwealth policy entity:</b>	Department of Education, Skills and Employment
<b>Administering entity:</b>	Department of Education, Skills and Employment
<b>Date guidelines released:</b>	24 September 2020
<b>Type of grant opportunity:</b>	One off ad-hoc



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## 1. About the grant

On 8 June 2020, the Government announced that the temporary Early Childhood Education and Care Relief Package (Relief Package) and Exceptional Circumstance Supplementary Payment (Supplementary Payment) would cease on 12 July 2020. From 13 July 2020, the Government resumed the original Child Care Subsidy (CCS) system and implemented a transition measure.

To support the sector, all approved early childhood education and care (ECEC) services will receive a Transition Payment. Outside School Hours Care (OSHC) services may also be eligible for an Additional Viability Support Payment.

On 5 August 2020, the Government announced measures to support families, ECEC educators and services through Stage 3 and Stage 4 COVID-19 restrictions in Victoria, until 13 September 2020. The Government introduced a Special Transition Payment for eligible services in metropolitan Melbourne and extended support for OSHC services to regional Victoria to address declines in attendance and revenue. The Government extended these support measures for all Victorian families and services by two weeks (from 14 September to 27 September 2020).

On 20 September, the Government announced that support measures for OSHC services in Victoria would continue until face to face teaching resumes. This is expected to be a further three weeks of support (from 28 September to 18 October 2020) for eligible Outside School Hours Care (OSHC) services in metropolitan Melbourne and a further two weeks of support (from 28 September to 11 October 2020) for OSHC services in regional Victoria. Should the dates change for the return to face to face schooling, payments will be adjusted to reflect the new timelines,

The purpose of the payments made under these Guidelines is to maintain the viability of services, in order to support families as they return to the level of work, study or training they were undertaking before COVID-19. The objective of the grant is to keep services viable during a recovery period, so they can remain operational and continue to deliver quality and affordable child care, so that families can participate in the social and economic life of the community. To ensure Government support is appropriately targeted, JobKeeper will cease from 20 July 2020 for employees working in CCS approved early childhood education and care services (approved services).

This grant will be administered by the Department of Education, Skills and Employment (the department).


The grant is to be undertaken in accordance with the [Commonwealth Grants Rules and Guidelines \(CGRGs\)](#)<sup>1</sup>

## 2. Grant amount and grant period

There are five different payments made under these Guidelines:

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<sup>1</sup> This requirement assumes that all part-time permanent employees worked at least the minimum hours prescribed in their part-time agreement during the guarantee fortnight.  
[www.finance.gov.au/government/commonwealth-grants/commonwealth-grants-rules-and-guidelines](http://www.finance.gov.au/government/commonwealth-grants/commonwealth-grants-rules-and-guidelines)


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1. **Transition Payment:** all providers of eligible services receive up to nine weeks' of 25 per cent of the average weekly fees charged by their services during the reference fortnight (for most services this is the pre-COVID fortnight of 17 February to 1 March 2020).
  2. **Increased Transition Payment:** from the week starting 3 August 2020 providers with eligible services in metropolitan Melbourne will receive a five per cent increase to their weekly Transition Payment for those services.
  3. **Special Transition Payment:** a lump sum payment to providers with eligible services in metropolitan Melbourne equal to six weeks' worth of 10, 15 or 25 per cent of each eligible service's fee revenue (capped at the relevant CCS hourly rate) in the relevant reference fortnight, determined by the combination of pre-COVID low average CCS and low attendance levels (calculated using attendance in period 10 August to 23 August 2020).
  4. **Additional Viability Support Payment:** a lump sum payment to providers with eligible OSHC services in Victoria, equal to 15 per cent of the average weekly fee charged during the reference fortnight (capped at the relevant CCS hourly rate), multiplied by either six or eight depending on location and eligibility.
  5. **Low Charged Hours Payment:** a lump sum payment to eligible services in Victoria with significant falls in revenue due to low attendances combined with an inability to charge for allowable absences and/or reduction in enrolments. The amount of payment varies depending upon the extent to which charged hours have fallen and the extent to which the service is receiving other transition payments.

Providers must remain eligible for the Transition Payment (see Section 2.2) to receive and maintain payments for the increased Transition Payment, Special Transition Payment, Additional Viability Support and Low Charged Hours Payment under these Guidelines. Where grant amounts are calculated on session reports submitted for a specified fortnight, subsequent changes to these session reports may impact eligibility for the grant payments and the Commonwealth may recover grant funds.

### Extension of support for Victoria

All eligible services in Victoria will receive an additional payment for the period 14 September to 27 September 2020, for the following:

- Increased Transition Payment;
- Special Transition Payment;
- Additional Viability Support Payment; and
- Low Charged Hours Payment.



Eligible OSHC services in metropolitan Melbourne will also receive an additional payment for the period from 28 September to 18 October 2020 and eligible OSHC outside of metropolitan Melbourne will receive an additional payment for the period from 28 September to 11 October 2020. Should the dates change for the return to face to face schooling, transition payments will be adjusted to reflect the new timelines,

In accordance with these Guidelines, payment end dates in existing agreements for the Increased Transition Payment, Special Transition Payment, Additional Viability Support Payment and Low Charged Hours Payment are extended from:


- 14 September to 27 September 2020 (inclusive) for Centre Based Day Care, Family Day Care and In Home Care (other services than OSHC) in Victoria;
- 14 September to 18 October 2020 (inclusive) for OSHC services in metropolitan Melbourne; and
- 14 September to 11 October 2020 (inclusive) for OSHC services located outside metropolitan Melbourne.

Support of Victorian OSHC is extended to services providing only vacation care (OSHC (vacation care only) service) in the September 2020 school holidays (fortnight from 21 September to 4 October 2020):

- Vacation care only services in metropolitan Melbourne may be eligible for:
  - an additional 5 per cent Transition Payment (of revenue in the relevant reference period used for Transition Payment) for the first week of vacation care and a 30 per cent Transition Payment for the second week of the school holidays; and
  - up to two weeks of payments of 15 per cent Additional Viability Support Payment, if attendance has fallen below 40 per cent of pre-COVID vacation care levels, where relevant.
- Vacation care only services in regional Victoria may be eligible for:
  - a 25 per cent Transition Payment (of revenue in the relevant reference period used for Transition Payment) for the second week of the school holidays, and
  - up to two weeks of 15 per cent Additional Viability Support Payment, if attendance has fallen below 40 per cent of pre-COVID vacation care levels, where relevant.

## Transition Payment

For approved services nationally (other than OSHC services in Victoria), the period of the agreement is from 13 July 2020 to 27 September 2020 (the Transition Period), during which eligible providers



will be offered a grant amount for up to 9 weeks' of 25 per cent of the average weekly fees charged by their services during the reference fortnight (capped at the relevant CCS hourly rate cap).

For approved OSHC services in metropolitan Melbourne in Victoria, the period of the agreement is from 13 July 2020 to 18 October 2020 and for approved OSHC services outside metropolitan Melbourne, the period of the agreement is from 13 July 2020 to 11 October 2020.

The Transition Payment grant amount takes into consideration an extra week's 50 per cent business continuity payment, which was paid to services at the end of the Relief Package to assist with cash flow (i.e. they will have received 15 payments for 14 weeks of Relief Package). In recognition of this, there will be no Transition Payment for the weeks commencing 14 September 2020 and 21 September 2020.

Providers with approved OSHC services in Victoria will receive:

- an additional grant amount equal to three weeks' worth of 25 per cent of the average weekly fees charged by their services during the relevant reference fortnight (capped at the relevant CCS hourly rate cap) for OSHC in metropolitan Melbourne;
- an additional grant amount equal to two weeks' worth of 25 per cent of the average weekly fees charged by their services during the relevant reference fortnight (capped at the relevant CCS hourly rate cap) for OSHC outside of metropolitan Melbourne; and
- for eligible OSHC (vacation only) services, one week's worth of 25 per cent Transition Payment for services which provide care in the period 28 September to 4 October 2020.


The Transition Payment is payable from when the provider enters into the grant agreement. Subject to when a provider accepts the conditions, the Transition Payment will be paid weekly for the period 13 July 2020 to 13 September 2020. Victorian services eligible for additional funding after the 13 September 2020 will receive that extra support as a lump sum payment. Payment for new services will depend on the length of operation within the life of the grant.

## Increased Transition Payment

The Increased Transition Payment in this section is only payable to Providers of approved services in metropolitan Melbourne.

Providers of approved services in metropolitan Melbourne will receive a five per cent increase to their weekly Transition Payment. For these services, Transition Payments will increase from 25 to 30 per cent of the service's Child Care Subsidy fee revenue or the existing hourly cap, whichever is lower, in the relevant reference period. The five per cent increase will be applied to Transition Payments for each week in the period from 3 August 2020 to 27 September 2020.

The payment period for Increased Transition Payment is extended from 28 September to 18 October 2020 for eligible providers of approved OSHC services in metropolitan Melbourne. This component



will be paid as a lump sum payment equal to three weeks of five per cent of each eligible service's child care subsidy fee revenue in the relevant reference period (capped at the relevant CCS hourly rate for that service).

Eligible providers of OSHC services that provide only vacation care (OSHC (vacation care only) service) in metropolitan Melbourne will receive a maximum of two weeks of five per cent of each eligible service's child care subsidy fee revenue in the relevant reference period (capped at the relevant CCS hourly rate for that service) in respect of each vacation care only service.

The five per cent increase in the Transition Payment for eligible services does not alter conditions in the existing Transition Payment agreement entered into.

See Schedule A for detail on how Transition Payments (including those for approved services in metropolitan Melbourne) will be calculated.

## Special Transition Payment

Providers of approved services in metropolitan Melbourne that meet the eligibility criteria set out in section 2.2.1A will be offered a Special Transition Payment.

The period of the agreement for the Special Transition Payment for OSHC services is the period from 3 August 2020 and ending on 18 October 2020 and for services other than OSHC the period from 3 August 2020 and ending on 27 September 2020.

For eligible OSHC services, the amount of Special Transition Payment is equal to eleven weeks' worth of 10, 15 or 25 per cent of each eligible service's fee revenue (capped at the relevant CCS hourly rate for that service) in the relevant reference fortnight, determined by the combination of pre-COVID low average CCS and low attendance levels.

For approved services other than OSHC, the amount of Special Transition Payment is equal to eight weeks' worth of 10, 15 or 25 per cent of each eligible service's fee revenue (capped at the relevant CCS hourly rate for that service) in the relevant reference fortnight, determined by the combination of pre-COVID low average CCS and low attendance levels.

However, OSHC services in metropolitan Melbourne that meet the eligibility criteria for Additional Viability Support Payment (15 per cent of eligible service's fee revenue) can only receive an amount of Special Transition Payment that is up to 10 per cent of each eligible service's fee revenue (capped at the relevant CCS hourly rate for that service) in the relevant reference period.

See **Schedule A** for detail on how the amount of the Special Transition Payment for eligible approved services will be calculated.

The Special Transition Payment will be paid as a lump sum in September 2020.



## Additional Viability Support Payment

Providers of OSHC services that meet the eligibility criteria set out in section 2.2.2 will be offered an Additional Viability Support Payment.

The period of the agreement for the Additional Viability Support Payment is:

- for most services in metropolitan Melbourne and Mitchell Shire—the period from 20 July 2020 to 18 October 2020
- for services in regional Victoria (excluding Mitchell Shire) and services in metropolitan Melbourne that qualify—the period from 3 August 2020 to 11 October 2020.

For providers of OSHC (other than vacation care only), the amount of the Additional Viability Support Payment is 15 per cent of the average weekly fee charged during the reference fortnight (capped at the relevant CCS hourly rate cap), multiplied by:

- thirteen (for OSHC services in metropolitan Melbourne that met eligibility criteria in section 2.2.2 from 20 July 2020)
- twelve (for OSHC services in Mitchell Shire that met eligibility criteria in section 2.2.2 from 20 July 2020)
- eleven (for OSHC services in Metropolitan Melbourne that are eligible from 3 August 2020), or
- ten (for OSHC services (other than in metropolitan Melbourne or Mitchell Shire) that met eligibility criteria in section 2.2.2 on or after 24 August 2020).

For providers of OSHC (vacation care only), the amount of the Additional Viability Support Payment is 15 per cent of the average weekly fee charged during the reference fortnight (capped at the relevant CCS hourly rate cap), multiplied by:

- the number of weeks (up to two weeks) that the eligible OSHC (vacation care only) service provides care in the period commencing on 21 September 2020 and ending on 4 October 2020.


See **Schedule A** for detail on how the amount of the Additional Viability Support Payment for eligible approved services will be calculated.

The Additional Viability Support Payment will be paid as a single lump sum.

The payment date is subject to when the eligible OSHC provider accepts the conditions, returns the signed agreement and submits attendance (session) reports for the relevant fortnight (see in section 2.2.2):

- for services in Mitchell Shire—the fortnight from 20 July 2020 to 2 August 2020,
- for services in metropolitan Melbourne only—the fortnight from 20 July 2020 to 2 August 2020 or from 10 August 2020 to 23 August 2020 (to qualify for payment from 3 August),
- for other services in Victoria—the fortnight from 10 August 2020 to 23 August 2020, and



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- for OSHC (vacation care only) services in Victoria – the fortnight from 21 September 2020 to 4 October 2020.

## Low Charged Hours Payment

Providers of approved services in Victoria that meet the eligibility criteria set out in section 2.2.3 will be offered a Low Charged Hours Payment.

The Low Charged Hours Payment will be targeted to eligible services in Victoria with significant falls in revenue due to low attendances combined with inability to access allowable absences and/or reduction in enrolments. Providers will be sent an offer for one or more services with Child Care Subsidy system data that indicates the potential for low revenue as determined by charged hours in the fortnight from 10 August to 23 August 2020 that are 50 per cent or below that of the reference fortnight.

The payment will vary depending on the extent to which a service is receiving other transition payments and the extent to which charged hours have fallen.

### 2.1 The grant selection process

This is a non-competitive grants program payable to CCS approved ECEC providers for each of their CCS approved ECEC services. Subject to meeting the eligibility criteria, all approved services are eligible and will receive the Transition Payment, instead of JobKeeper (except for the week commencing 13 July 2020, where services may receive both JobKeeper and a Transition Payment in respect of that week).

CCS approved ECEC services in metropolitan Melbourne may receive a Special Transition Payment if the eligibility criteria in paragraph 2.2.1A is met.

OSHC services may receive the Additional Viability Support Payment if the eligibility criteria in paragraph 2.2.2 is met.

The Australian Government considers a sector based, non-competitive process, is appropriate to support approved ECEC services that have been in receipt of the Relief Package and Supplementary Payments as they transition back to the CCS system.

There is urgent need associated with the provision of ECEC services for all families as they return to the level of work, study or training they were undertaking before COVID-19. A non-competitive grants process maximises access to the grant in a timely and cost effective manner.

## 2.2 Eligibility criteria

### 2.2.1 Transition Payment

To be eligible to receive the Transition Payment in respect of a service, the provider must:

- be an approved provider under the Family Assistance Law, and be approved in respect of the service;
- ensure the service remains open and providing child care (unless it has been directed to close by a relevant Commonwealth, state or territory government authority or health agency);
- from 20 July 2020, ensure they:
  - do not claim or receive JobKeeper payments for any of their employees whose duties relate principally to the operation of the service;
  - do not claim or receive JobKeeper payments for their business participants (within the meaning of the JobKeeper Rules<sup>[1]</sup>);
  - take all reasonable steps to ensure that contracted, eligible business participants (i.e. sole traders and independent contractors) that are engaged by the provider to perform services that relate principally to the operation of one or more of the provider's child care services, do not claim JobKeeper payments while the provider is in receipt of the grant;
- not charge any person fees for child care in the Transition Period that exceeds the fees the person would have been charged by the provider for the same care in the relevant reference fortnight; and
- continue over the transition period to employ and to offer work to the employees of the approved early childhood education and care provider who were paid in the fortnight leading up to the end of the Relief Package (or the relevant fortnight for new and vacation care only services), including those who worked, were on short-term leave, or who did not work but were paid JobKeeper, but excluding those on unpaid leave.

Providers that have compliance action on hand and were eligible for a payment under the Relief Package will also be eligible for a Transition Payment unless there is a material compliance change under the family assistance law.

Providers will be eligible for Transition Payments in relation to new services approved for CCS on or after 13 July 2020. The department will work with providers for these services on the services' reference fortnight.

### 2.2.1AA Increased Transition Payment

To be eligible to receive the Increased Transition Payment in respect of a service:

- the provider must be eligible for a Transition Payment in respect of the service; and
- the service must be an approved service in metropolitan Melbourne.

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<sup>[1]</sup> The *Coronavirus Economic Response Package (Payments and Benefits) Rule 2020*, which can be found at [www.legislation.gov.au](http://www.legislation.gov.au). For further information on JobKeeper eligibility under the JobKeeper Rules, see [www.ato.gov.au/General/JobKeeper-Payment](http://www.ato.gov.au/General/JobKeeper-Payment).

### 2.2.1A Special Transition Payment

For a provider to be eligible for a Special Transition Payment in respect of a service:


- the service must have been approved for CCS before 13 July 2020;
- the provider must be eligible to receive a Transition Payment in respect of the service for the week commencing 20 July 2020;
- the service must be located in metropolitan Melbourne, Victoria;
- the proportion of the service's fee revenue in the pre-COVID reference fortnight that is CCS revenue (i.e. CCS payments to the service on behalf of eligible individuals) is less than 50 per cent;
- the total number of hours of care provided to children who attended the service in the fortnight from 10 August 2020 to 23 August 2020 is less than 30 per cent of the total number of hours of care provided to children who attended the service in the service's reference fortnight; and
- the provider must have submitted by 7 September 2020 correct and accurate attendance reports for the service for the weeks commencing 10 August 2020 and 17 August 2020.

For the purpose of working out the total number of hours of care provided to children who attended a service, only hours of care for children who actually attended the service are counted. An absence does not count towards these hours, even where that absence would attract Child Care Subsidy. Where a child has only attended part of a session of care, only the hours that the child attended are counted, not the whole session.

### 2.2.2 Additional Viability Support Payment

For a provider to be eligible for the Additional Viability Support Payment in respect of a service:

- the service must have been approved for CCS before 13 July 2020;
- the provider must be eligible to receive a Transition Payment in respect of the service for the week commencing 20 July 2020;
- the service must be an OSHC service (including an OSHC (vacation care only)) service;
- the service must be located within Victoria;
- if the service is located in metropolitan Melbourne or Mitchell Shire, Victoria, one or both of the following apply:
  - the total number of hours of care provided to children who attended the service in the fortnight from 20 July 2020 to 2 August 2020 (the qualifying fortnight); is 40 per

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- cent or less than the total number of hours of care provided to children who attended the service in the service's reference fortnight or
- for services located in metropolitan Melbourne - the total number of hours of care provided to children who attended the service in the fortnight from 10 August 2020 to 23 August 2020 (the qualifying fortnight) is 40 per cent or less than the total number of hours of care provided to children who attended the service in the service's reference fortnight.
  - the provider must have submitted correct and accurate attendance reports for the fortnight from 20 July 2020 to 2 August 2020 (or only for metropolitan Melbourne from 10 August 2020 to 23 August 2020), whichever is applicable;
  - if the service is located elsewhere in Victoria:
    - the total number of hours of care provided to children who attended the service in the fortnight from 10 August 2020 to 23 August 2020 (the qualifying fortnight) is 40 per cent or less than the total number of hours of care provided to children who attended the service in the service's reference fortnight; and
    - the provider must have submitted by 7 September 2020 correct and accurate attendance reports for the service for the weeks commencing 10 August 2020 and 17 August 2020;
  - if the service is of an OSHC (vacation care only) service in Victoria:
    - the total number of hours of care provided to children who attended the service in the fortnight from 21 September 2020 to 4 October 2020 (the qualifying fortnight) is 40 per cent or less than the total number of hours of care provided to children who attended the service in the service's reference fortnight; and
    - the provider must have submitted by 24 October 2020 correct and accurate attendance reports for the service for the fortnight commencing 21 September 2020.
  - For the purpose of working out the total number of hours of care provided to children who attended a service, only hours of care for children who actually attended the service are counted. An absence does not count towards these hours, even where that absence would attract child care subsidy. Where a child has only attended part of a session of care, only the hours that the child attended are counted, not the whole session.



### 2.2.3 Low Charged Hours Payment

For a provider to be eligible for a Low Charged Hours Payment in respect of a service:

- the service must have been approved for CCS before 13 July 2020;
- the provider must be eligible to receive a Transition Payment in respect of the service for the week commencing 20 July 2020;
- the service must be located within Victoria; and
- the average weekly amount of charged hours for the service in the fortnight from 10 August to 23 August 2020 must be 50 per cent or less than the average weekly amount of charged hours for the service in the reference fortnight.

Note: whether or not a service receives additional funding will depend on the extent to which its charged hours have fallen and the level of existing transition payments each service is eligible to receive.

For a provider to be eligible for an offer for a Low Charged Hours Payment:


- the provider must have one or more eligible services with Child Care Subsidy System data from sessions of care under section 204B of the A New Tax System (Family Assistance) (Administration) Act, for the fortnight 10 August to 23 August 2020, with charged hours of 50 per cent or less than charged hours of the service's reference fortnight. Child Care Subsidy System data is extracted by the department as at 6 September 2020;
- to comply with the offer, the provider must have correct and accurate attendance reports submitted for each eligible service for the fortnight commencing 10 August 2020 to 23 August 2020 by the time the offer is accepted; and
- providers will be required to warrant that if sessions of care in the fortnight from 10 August to 23 August 2020 are not submitted it is solely due to nil attendance and nil allowable absences.

## 2.3 Eligible grant activities

An eligible grant activity is a provider operating a child care service that complies with Family Assistance Law.

## 3. Who will approve the grant?

The First Assistant Secretary of the department's Programs, Payments and Early Learning Division (the decision maker), the Assistant Secretary Program Delivery Branch, or the Assistant Secretary



Data Analytics and Review Branch is authorised to make decisions in relation to administration of this grant opportunity. The decision maker will make the final decision to approve a grant.

The decision maker's decision is final in all matters, including the:

- approval of the grant
- grant funding amount to be awarded
- terms and conditions of the grant.

## 4. Notification of the grant

### 4.1 Offer and acceptance

#### Transition Payment

For Transition Payments, eligible providers will be sent an offer with a funding amount as outlined in section 2 of these Guidelines, with terms and conditions set out in the grant agreement.

Providers can accept the offer by returning a signed agreement agreeing to the terms and conditions of the grant.

Eligible providers will be advised by email of the five per cent increase in Transition Payments for approved services in metropolitan Melbourne.


#### Special Transition Payment

For Special Transition Payments, the department will contact eligible providers with services located in metropolitan Melbourne with an offer in the form of a grant variation to their Transition Payment grant agreement.

The department will use attendance reports (i.e. reports about children for whom care is provided given under section 204B of the A New Tax System (Family Assistance) (Administration) Act 1999) to verify whether services have had the required decline in hours of care. Accordingly, Special Transition Payment will not be made until attendance reports for the fortnight from 10 August to 23 August 2020 are submitted, and providers will be asked to warrant that the reports submitted are complete and accurate.

Providers can accept the offer by returning a signed variation agreeing to the terms and conditions of the grant. Offers will lapse on 7 September 2020. For services that did not receive offers until 2021, the offer will lapse on 28 February 2021.

As well as the eligibility criteria in section 2 of these Guidelines, each agreement has general terms and conditions that cannot be changed. We will use a schedule to outline the specific grant requirements.



The Commonwealth may recover grant funds if there is a breach of the grant agreement or if providers or their services are found to have been ineligible.

### Additional Viability Support Payment

The department will contact eligible providers with OSHC services located in metropolitan Melbourne and Mitchell Shire with an offer for an Additional Viability Support Payment, in the form of a grant variation to their Transition Payment grant agreement. The offer will include the estimated funding amount at a provider and service level. For each eligible service, the grant variation will include the original grant amount (the Transition Payment), the estimated variation amount (the Additional Viability Support Payment) and the new estimated total funding amount.

Before accepting the offer, providers with OSHC services located in metropolitan Melbourne and Mitchell Shire need to determine for themselves that the total number of hours of care provided to children who attended the service in the fortnight from 20 July 2020 to 2 August 2020 is less than 40 per cent of the total number of hours of care provided to children who attended the service in the service's reference fortnight. This assessment must be made for each service included in the funding offer.


The department contacted eligible providers with OSHC services:

- located in metropolitan Melbourne who were not eligible in the original period (20 July to 2 August 2020) who may now qualify as attendance levels in the fortnight 10 to 23 August 2020 are below 40 per cent of the service's reference fortnight; and
- located in regional Victoria with an offer for Additional Viability Support Payment in the form of a grant variation to their Transition Payment grant agreement in the week commencing 24 August 2020. In order to be eligible for the grant payment, the total number of hours of care provided to children who attended the service in the fortnight from 10 to 23 August 2020 is less than 40 per cent of the total number of hours of care provided to children who attended the service in the service's reference fortnight.

In the week commencing 21 September, the department will contact eligible Victorian OSHC providers of vacation care only services with an offer for an Additional Viability Support Payment. This will be in the form of a grant variation to an existing Transition Payment grant agreement.

Providers of OSHC (vacation care only) services who do not currently have a grant agreement in place will receive a new offer.

For eligible services in Victoria (including metropolitan Melbourne, Mitchell Shire and regional Victoria) the department will use attendance reports (i.e. reports about children for whom care is provided given under section 204B of the A New Tax System (Family Assistance) (Administration) Act 1999) for the relevant fortnight (from 20 July 2020 to 2 August 2020, from 10 to 23 August 2020 or



from 21 September to 4 October 2020) to verify whether services have had the required decline in hours of care. Accordingly, the Additional Viability Support Payment will not be made until session reports for the relevant fortnight are submitted, and providers will be asked to warrant that the session report that is first submitted is complete and accurate. Providers can accept the offer by returning a signed variation agreeing to the terms and conditions of the grant.

Offers to OSHC services in Mitchell Shire will lapse on 31 August 2020.

Offers to OSHC in regional Victoria (excluding Mitchell Shire) will lapse on 7 September 2020.

Offers to metropolitan Melbourne OSHC services will lapse on the earlier of the following dates:

- where the service is eligible for the fortnight from 20 July 2020 to 2 August 2020 - 31 August 2020
- where the service is eligible for the fortnight from 10 to 23 August 2020 - 25 September 2020.

Offers to Victorian OSHC (vacation care only) services will lapse on 23 October 2020.

For services that did not receive offers until 2021, the offer will lapse on 28 February 2021.

### Low Charged Hours Payment

The department will contact eligible providers with services located in Victoria with an offer for a Low Charged Hours Payment in the form of a grant variation to their Transition Payment grant agreement.

As well as the eligibility criteria in section 2 of these Guidelines, each agreement has general terms and conditions that cannot be changed. The agreements will include a schedule to outline specific grant requirements. The Low Charged Hours offer will lapse on 25 September 2020. For services that did not receive offers until 2021, the offer will lapse on 28 February 2021.

The Commonwealth may recover grant funds if there is a breach of the grant agreement or if providers or their services are found to have been ineligible.

## 4.2 Grant payment

Providers must enter into a legally binding grant agreement with the Australian Government. The department will use a simple grant agreement, which must be executed before the payments are made.

The amount of the grant will be determined in accordance with Schedule A of these Guidelines. The grant agreement will provide an estimate of the maximum grant amount to be paid.

For Increased Transition Payment, eligible providers will receive a lump sum payment:




- in the week commencing 21 September 2020 for the two week period 14 September to 27 September 2020 for services in metropolitan Melbourne;
- in the week commencing 5 October 2020 for the three week period 28 September to 19 October 2020 for services in metropolitan Melbourne; and
- in the week commencing 9 November 2020 for the two week period 21 September to 4 October 2020 for OSHC (vacation care only) services in metropolitan Melbourne.

For Special Transition Payment, eligible providers that have a correctly submitted a variation offer will be paid:

- if the offer is returned, and all attendance reports are submitted by 7 September 2020, providers will be paid (one payment for the six week period) from the week commencing 14 September 2020;
- a lump sum payment in the week commencing 21 September 2020 for the two week extension period from 14 September to 27 September 2020; and
- for eligible OSHC providers, a lump sum payment in the week commencing 12 October 2020 for:
  - the three week extension period from 28 September and ending 18 October 2020 for OSHC services in metropolitan Melbourne; or
  - the two week extension period from 28 September and ending 11 October 2020 for Victorian OSHC services outside of metropolitan Melbourne.

Additional Viability Support Payment for a correctly submitted variation offer will be paid:

- for eligible providers with services in metropolitan Melbourne and Mitchell Shire - if the offer of 4 August 2020 is returned by 14 August 2020, and all attendance reports are submitted by 21 August 2020 the department, providers will be paid one payment for the eight week period in the week commencing 31 August 2020. If the offer is returned or attendance reports are submitted or verified, after 14 August 2020, providers will be paid one payment for the eight week period in the week commencing 14 September 2020. If the offer is not returned by 31 August 2020, the offer will lapse.
  - a lump sum payment will be made to eligible providers in the week commencing 21 September 2020 for the two week period 14 September to 27 September 2020;
  - a lump sum payment will be received by providers with services in Mitchell Shire in the week commencing 12 October for the two week period 28 September to 11 October 2020; and

- 
- a lump sum payment will be received by providers with services in metropolitan Melbourne in the week commencing 12 October for the three week period 28 September to 18 October 2020.
  - for eligible providers with OSHC services located in metropolitan Melbourne (who were not eligible for the initial offer of 4 August 2020) – if the offer is returned by 14 September 2020, providers will be paid (one payment for the six week period) in the week commencing 5 October 2020. If the offer is not returned by 25 September 2020, the offer will lapse. A separate lump sum payment will be made to eligible providers in the week commencing 21 September 2020 for the two week period 14 September to 27 September 2020; and in the week commencing 5 October for the three week period 28 September to 18 October 2020.
  - for eligible providers with services in regional Victoria (excluding Mitchell Shire) - if the offer is returned, and all attendance reports are submitted by 7 September 2020, providers will be paid (one payment for the six week period) from the week commencing 14 September 2020. If the offer is not returned by 7 September 2020, the offer will lapse. A separate lump sum payment will be made to eligible providers in the week commencing 21 September 2020 for the two week period 14 September to 27 September 2020; and in the week commencing 5 October for the two week period 28 September to 11 October 2020.

Low Charged Hours Payment for a correctly submitted variation offer will be paid for all eligible services if the offer is returned by 25 September 2020:

- a lump sum payment for the eight week period (3 August to 27 September) for services other than OSHC will be paid from the week commencing 12 October;
- a lump sum payment for the ten week period (3 August to 11 October 2020) for OSHC services outside of metropolitan Melbourne will be paid from the week commencing 12 October; and
- a lump sum payment for the eleven week period (3 August to 18 October 2020) for OSHC services in metropolitan Melbourne will be paid from the week commencing 12 October.

Transition Payments made under these guidelines will be paid into the bank account currently nominated for a service in the Child Care Subsidy System (CCSS) that has been used to pay the Relief Payments. Providers should ensure their bank account details in the CCSS are up to date.

Notwithstanding the payment schedule and lapsing dates set out above, the Department may make additional offers in 2021. These offers will lapse on 28 February 2021.



## Payment adjustments

Providers should also note that individual payments made in accordance with these Guidelines and their grant agreement may be adjusted during the period of the agreement to ensure that the total Grant Amount paid to the provider over the life of the agreement is correct.

Thus, for example, an overpayment of a particular week's Transition Payment will result in an equivalent reduction in a subsequent week's Transition Payment, or a Special Transition Payment, Additional Viability Support Payment or a Low Charged Hours Payment payable to the provider. Equally, where a particular payment is lower than it should have been, an adjustment will be made to a subsequent payment to make up the shortfall.

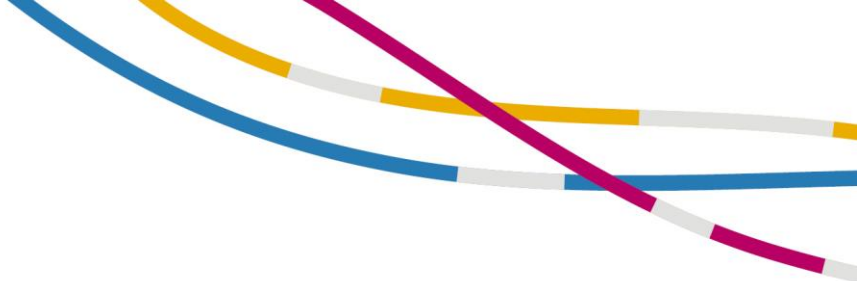
## 5. Announcement of the grant

Grant payments made under these guidelines will be listed on the [GrantConnect](#) website, 21 days after the date of effect as required by Section 5.3 of the CGRGs.

For payments under these Guidelines that rely on the department's assessment of eligibility after the execution of each offer, the highest possible payment amount will be listed on the [GrantConnect](#) website.

## 6. Grant evaluation

The department may evaluate this grant to measure how well the outcomes and objectives have been achieved. The grant agreement requires providers to make available information to assist with the evaluation, if asked by representatives of the department.



## **Schedule A – Explanation and Calculation of Transition Payments, Special Transition Payments; Additional Viability Support Payments and Low Charged Hours Payments**

Over the period of the grant agreement, a provider will receive a total grant amount calculated in accordance with this Schedule.

The grant amount will be the sum of Transition Payments, plus any Special Transition Payment, Additional Viability Support Payment, and Low Charged Hours Payment made to the provider.

The provider will receive a weekly Transition Payment for each week that it is approved for at least one approved child care service, up until the week ending 13 September 2020 – typically nine weeks. Additional Viability Support Payments will be available to eligible providers from 20 July 2020, or 24 August 2020 for providers with services in regional Victoria. Special Transition Payment for services in metropolitan Melbourne will be available to eligible providers from 24 August 2020.

### **Transition Payment**

A provider's weekly Transition Payment will be the sum of the amounts worked out for each of the child care services it is approved for on the Monday of that week. This means that the total payment for each week will not be the same if the provider ceases to be approved for a service, or is approved for another service (for example, because of the transfer of a service between providers).


Generally, the amount of a Transition Payment in relation to a service is 25 per cent of the service's fee revenue (capped at the relevant CCS hourly rate cap for that service) for a reference fortnight, divided by two (to get a weekly amount). However, from the week starting 3 August 2020, the amount of a Transition Payment in relation to a service located in metropolitan Melbourne is 30 per cent of the service's fee revenue (capped at the relevant CCS hourly rate cap for that service) for a reference fortnight, divided by two (to get a weekly amount).

### **Special Transition Payment**

The amount of a Special Transition Payment for an eligible provider is equal to eight (for non-OSHC), 10 or 11 (for OSHC) weeks' worth of 10, 15 or 25 per cent of each eligible service's fee revenue (capped at the relevant CCS hourly rate cap for that service) for a reference fortnight, divided by two (to get a weekly amount).

Whether a particular service is eligible for 10, 15 or 25 per cent of its reference fortnight fee revenue depends on the proportion of the service's fee revenue in its reference fortnight that consisted of CCS revenue, and its attendance hours in the fortnight starting 10 August 2020 compared to its attendance hours in its pre-COVID reference fortnight.

An eligible OSHC service that is also eligible for the Additional Viability Support Payment (a "significantly COVID-19 affected OSHC service") will only be eligible for a Special Transition Payment based on 10 per cent of its reference fortnight fee revenue; and then only if its CCS revenue is less



than 40 per cent of its reference fortnight fee revenue and its attendance hours in the fortnight starting 10 August 2020 are less than 10 per cent compared to its attendance hours in its reference fortnight.

The table in subclause 3A(2) below sets out how to work out the relevant percentage.

The Special Transition Payment will be paid as a single lump sum in addition to the provider's weekly Transition Payments.

### Example 1

An eligible service (excluding OSHC) has a reference fortnight that is the fortnight commencing 17 February 2020.

In that fortnight, it had \$20,000 in fee revenue. Of that amount, \$9000 was revenue from CCS payments on behalf of eligible individuals. This means that the proportion of the service's fee revenue that was CCS revenue during the reference fortnight is  $9000 / 20,000$ , or 45 per cent.

Also, during reference fortnight, children attended the service for a total of 200 hours; but during the fortnight commencing 10 August 2020, children attended the service for only 50 hours. This means that the total number of hours of care provided to children who attended the service in the 10 August fortnight is only  $50 / 200$ , or 25 per cent, of the total number of hours of care provided to children who attended the service in its reference fortnight.

Consequently, the service is eligible for a Special Transition Payment based on 10 per cent of its reference fortnight fee revenue.

### Example 2

An eligible service's reference fortnight is the fortnight commencing 17 February 2020.

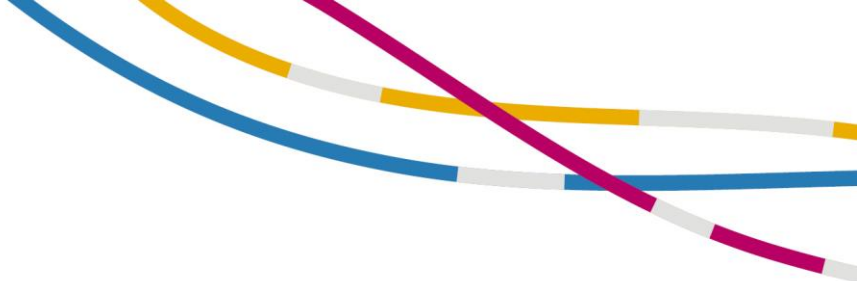
In that fortnight, it had \$20,000 in fee revenue. Of that amount, \$6000 was revenue from CCS payments on behalf of eligible individuals. This means that the proportion of the service's fee revenue that was CCS revenue during the reference fortnight is  $6000 / 20,000$ , or 30 per cent.

Also, during reference fortnight, children attended the service for a total of 200 hours; but during the fortnight commencing 10 August 2020, children attended the service for only 10 hours. This means that the total number of hours of care provided to children who attended the service in the 10 August fortnight is only  $10 / 200$ , or 5 per cent, of the total number of hours of care provided to children who attended the service in its reference fortnight.

Consequently, the service is eligible for a Special Transition Payment based on 25 per cent of its reference fortnight fee revenue.

### Example 3

The reference fortnight for an OSHC in metropolitan Melbourne is the fortnight commencing 17 February 2020.



The service is eligible for an Additional Viability Support Payment, as it is a “significantly COVID-19 affected OSHC service”. This was determined by session reporting that confirms attendance in the fortnight 20 July to 2 August is less than 40 percent of its reference period. The service is therefore eligible for the 15 per cent Additional Viability Support payment (eight weeks’ worth of 15 per cent of the fee revenue of the reference fortnight (capped at the relevant CCS hourly rate cap for that service)).

In its reference fortnight, it had \$20,000 in fee revenue. Of that amount, \$9000 was revenue from CCS payments on behalf of eligible individuals. This means that the proportion of the service’s fee revenue that was CCS revenue during the reference fortnight is  $9000 / 20,000$ , or 45 per cent.

As the OSHC service is eligible for an Additional Viability Support Payment and the proportion of its fee revenue that was CCS revenue is not less than 40 per cent, the service is not eligible for a Special Transition Payment and will not receive a variation offer.

#### Example 4

The reference fortnight for an OSHC in metropolitan Melbourne is the fortnight commencing 17 February 2020.

The service is eligible for an Additional Viability Support Payment, as it is a “significantly COVID-19 affected OSHC service”

In its reference fortnight, it had \$10,000 in fee revenue. Of that amount, \$2,500 was revenue from CCS payments on behalf of eligible individuals. This means that the proportion of the service’s fee revenue that was CCS revenue during the reference fortnight is  $2500 / 10,000$ , or 25 per cent. Because this is below 40 per cent, the provider for this service will receive a Special Transition Payment variation offer.

The session reports for this service shows that the total number of hours of care provided to children who attended the service in the fortnight 10 to 23 August 2020 is 15 per cent of the total number of hours of care provided to children who attended the service in the service’s reference fortnight.

As the OSHC service is eligible for an Additional Viability Support Payment and the attendance in the relevant fortnight (10 to 23 August 2020) is not less than 10 per cent, the service is not eligible for a Special Transition Payment.

Note: if, however, the service was not eligible for the Additional Viability Support Payment, it would be eligible for a Special Transition Payment of 15 per cent of its reference fortnight fee revenue. This is because the service would not be classified as a “significantly COVID-19 affected OSHC service”, the proportion of the fee revenue of the service during the reference fortnight that is CCS revenue is less than 40 per cent; with attendance hours in the fortnight starting 10 August 2020 is more than 10 per cent and less than 20 per cent (see table 3A(2)).



## Additional Viability Support Payment

The amount of an Additional Viability Support Payment for an eligible provider is equal to:


- thirteen weeks' worth of 15 per cent of the fee revenue of each eligible service in metropolitan Melbourne if eligible using fortnight 20 July to 2 August 2020 (capped at the relevant CCS hourly rate cap for that service) for their reference fortnight, divided by two (to get a weekly amount);
- twelve weeks' worth of 15 per cent of the fee revenue of each eligible service in Mitchell Shire if eligible using fortnight 20 July to 2 August 2020 (capped at the relevant CCS hourly rate cap for that service) for their reference fortnight, divided by two (to get a weekly amount);
- eleven weeks' worth of 15 per cent of the fee revenue of each eligible service in metropolitan Melbourne if eligible using fortnight 10 August to 23 August 2020 (capped at the relevant CCS hourly rate cap for that service) for their reference fortnight, divided by two (to get a weekly amount);
- ten weeks' worth of 15 per cent of the fee revenue of each eligible service located elsewhere in Victoria (capped at the relevant CCS hourly rate cap for that service) for their reference fortnight, divided by two (to get a weekly amount);
- one week's worth of 15 per cent of the fee revenue for each week that an eligible OSHC (vacation care only) service provides vacation care in period commencing 21 September 2020 and 28 September 2020.

The Additional Viability Support Payment will be paid as a single lump sum, and is paid in addition to the provider's weekly Transition Payments.

## Low Charged Hours Payment

The amount of the Low Charged Hours Payment is determined in accordance with the Guidelines and the Grant Schedule. The total Payment is equal to eight weeks' worth of 5 to 55 per cent of each eligible service's fee revenue (capped at the relevant CCS hourly rate for that service) in the transition payment reference fortnight. The relevant percentage to be paid is worked out by taking into account the combination of:

- the percentage of the service's reference fortnight fee revenue the service is already receiving in transition payments; and
- the average weekly charged hours recorded by the service in the fortnight 10 August to 23 August 2020 as a percentage of the average weekly charged hours from the reference fortnight.



For OSHC in metropolitan Melbourne, the total Payment amount (of eleven weeks) will include an additional three weeks' worth of 5 to 55 per cent of each eligible service's fee revenue and for OSHC outside of metropolitan Melbourne, the total Payment amount (of ten weeks) will include an additional two weeks' worth of 5 to 55 per cent of each eligible service's fee revenue.

Whether or not services receive additional funding will depend on the extent to which each service's charged hours have fallen and the level of existing transition payments a service is eligible to receive under these Guidelines.

For example:

If a service is already receiving Transition Payments equal to 55 per cent of their revenue in the pre-COVID reference fortnight, they are only eligible for the low charged hours payment if their charged hours are less than 25 per cent.

If a service is already receiving Transition Payments equal to 45 per cent of the reference fortnight they are only eligible for a low charged hours payment if their charged hours are less than 35 per cent.

For the purposes of calculating the Low Charged Hours Payment, Transition Payments are one or more of the separate payments identified in these Guidelines that a service in Victoria may be eligible for, including:

- Transition Payment (25 per cent),
- Increased Transition Payment (5 per cent),
- Additional Viability Support Payment (15 per cent),
- Special Transition Payment for eligible non-OSHC services (10, 15 or 25 per cent),
- Special Transition Payment of 15 or 25 per cent for eligible OSHC services will be included in the calculation as these services are not eligible for the Additional Viability Support Payment.

**The Low Charged Hours Payment will be paid as a single lump sum, and is paid in addition to the provider's weekly Transition Payments.**

## Reference fortnight

The reference fortnight for most existing services is the fortnight starting 17 February 2020, and reference fortnight data is as extracted as at 29 March 2020. For an existing OSHC (vacation care only) service, the reference fortnight is the fortnight starting on the Monday in the first week of school holidays between Terms 3 and 4 in 2019.

For a new service, the department will determine an appropriate reference fortnight to use for the calculation of the Transition payment. This will typically be the service's first fortnight in which it receives CCS.





## Sale / transfers of services

It may be the case that over the course of the grant agreement, a Transition Payment, Special Transition Payment, Additional Viability Support Payment or Low Charged Hours Payment does not take account of the transfer of a service (i.e. a provider gains approval for, or ceases to be approved for, a service). In that case, a Transition Payment, Special Transition Payment, Additional Viability Support Payment or Low Charged Hours Payment will not be adjusted for either the selling or purchasing provider, and financial adjustment between providers will need to be addressed as a commercial matter between those providers.

## Overpayment and recovery

If the provider received an overpayment (including a payment for which the provider was not eligible) under the Relief Package, the Commonwealth may recover that overpayment from one or more of Transition Payment, Special Transition Payment, Additional Viability Support Payment or Low Charged Hours Payment that would otherwise be payable under the funding agreement.

## Calculation of Transition Payments

### 1. Amount of Grant

The Grant amount for an approved provider is equal to the sum of the Transition Payments under clause 2, the Special Transition Payment under clause 3A, the Additional Viability Support Payment under clause 4, and the Low Charged Hours Payment under clause 5 less any amounts set off under clause 7.

### 2. Amount of weekly Transition Payment

- (1) A Transition Payment for an approved provider for a week in the applicable period referred to in subclause (3) is equal to the sum of the amounts worked out in accordance with clause 3 in relation to each approved child care service in relation to which the provider is approved at the beginning of that week.
- (2) However, where a Transition Payment is paid to a provider in relation to a week and the amount of the payment has not taken into account that the provider has ceased to be approved for a particular service, or has been approved for a service, in that week, the Transition Payment for the provider for that week will not be adjusted.
- (3) The applicable period is the period beginning on 13 July 2020 and ending on:
  - (a) for Centre Based Day Care, Family Day Care and In Home Care (other services than OSHC) services in Victoria—27 September 2020;
  - (b) for Victorian OSHC services located outside metropolitan Melbourne—11 October 2020;

- (c) for Victorian OSHC services in metropolitan Melbourne—18 October 2020; and
- (d) for all other services—13 September 2020.

### 3. Amount of payment in relation to an approved child care service

(1) For clause 2, and subject to this clause, the weekly amount in relation to an approved child care service is:

(a) for a service located in metropolitan Melbourne for a week commencing in the period 3 August 2020 and ending on:

- (i) for an OSHC (vacation care only service)— 4 October 2020;
- (ii) for an OSHC service (other than a OSHC (vacation care only) service)—18 October 2020;
- (iii) otherwise—27 September 2020,

30 per cent of the reference fortnight amount for the service, divided by two; and

(b) otherwise—25 per cent of the reference fortnight amount for the service, divided by two.

(2) The weekly amount in relation to a service is nil if:

- (a) the service is closed for a reason other than because a relevant Commonwealth, state or territory government authority or health agency has advised or required the service to close because of the COVID-19 pandemic; or
- (b) the provider fails or has failed to comply with the grant agreement or these Guidelines (including the eligibility criteria) in relation to the service.

### 3A. Amount of Special Transition Payment in relation to significantly COVID-19 affected services in metropolitan Melbourne

(1) A Special Transition Payment for a provider is the sum of the amounts worked out under this clause for each service of the provider located in metropolitan Melbourne, Victoria, multiplied by:

- (a) for an OSHC service—eleven; or
- (b) otherwise—eight.

(2) The amount for a service is the following percentage of the reference fortnight amount for the service, divided by two:

<b>If the proportion of the fee revenue of the service during the reference fortnight that is CCS revenue is...</b>	<b>... and the total attendance hours for the service in the fortnight starting 10 August 2020 is the following percentage of the total attendance hours for the service in the service's reference fortnight...</b>	<b>... then the percentage of the reference fortnight amount is:</b>
<b>For a significantly COVID-19 affected OSHC service eligible for 15% Additional Viability Support</b>		
less than 40 per cent	less than 10 per cent	10 per cent
<b>For a service other than a significantly COVID-19 affected OSHC service</b>		
at least 40 per cent and less than 50 per cent	less than 30 per cent	10 per cent
less than 40 per cent	at least 20 per cent and less than 30 per cent	10 per cent
less than 40 per cent	at least 10 per cent and less than 20 per cent	15 per cent
less than 40 per cent	less than 10 per cent	25 per cent

(3) However, the amount in relation to a service is nil if the provider fails or has failed to comply with the grant agreement or these Guidelines (including the eligibility criteria) in relation to the service.

Note: The amount in relation to a service is also nil if the service does not meet the CCS revenue and attendance criteria in the first two columns of the table in subclause (2).

(4) In this clause:

- (a) the CCS revenue of a service during the reference fortnight for the service is the sum of fee reduction amounts payable under section 67EB of the A New Tax System (Family Assistance) (Administration) Act 1999 in relation to sessions of care provided by the service during the fortnight; and
- (b) the fee revenue of a service during the reference fortnight for the service is the sum of hourly session fees for sessions of care provided by the service during the fortnight; and
- (c) the total attendance hours for a service for a fortnight are the total number of hours of care provided to children who attended the service in that fortnight.

#### 4. Amount of Additional Viability Support Payment in relation to significantly COVID 19 affected OSHC services


(1) An Additional Viability Support Payment for a provider is the sum of the weekly amounts worked out under this clause multiplied by the Additional Viability Support factor worked out under subclause (1A);

(1A) The Additional Viability Support Payment factor is the result worked out under the following table for each significantly COVID 19 affected OSHC service of the provider:

Type of service	The Additional Viability Support Payment factor is
OSHC service in metropolitan Melbourne (other OSHC (vacation care only) service) that met eligibility criteria in 2.2.2 from 20 July 2020	13
OSHC service in Mitchell Shire (other OSHC (vacation care only) service) that met eligibility criteria in 2.2.2 from 20 July 2020	12
OSHC service in Metropolitan Melbourne (other OSHC (vacation care only) service) that met eligibility criterion in 2.2.2 from 3 August 2020	11
OSHC service (other than in metropolitan Melbourne or Mitchell Shire)(other than OSHC (vacation care only) service) that met eligibility criteria in 2.2.2 on or after 24 August 2020	10
OSHC (vacation care only) service provides care in the period commencing on 21 September 2020 and ending on 4 October 2020	The number of weeks (up to 2 weeks) that the service provides care in that period.
All other services	Nil

(2) The weekly amount for a significantly COVID 19 affected OSHC service of a provider is 15 per cent of the reference fortnight amount for the service, divided by two.

(3) However, the amount in relation to a service is nil if the provider fails or has failed to comply with the grant agreement or these Guidelines (including the eligibility criteria) in relation to the service.



Note: The amount in relation to a service is also nil if the service is not a significantly COVID 19 affected service, as defined in subclause (4).

(4) In these Guidelines, a **significantly COVID 19 affected OSHC service** of a provider is an OSHC service:

- (a) [not used]
- (b) in relation to which the provider is approved on 20 July 2020; and
- (c) that is in Victoria; and
- (d) at which the total number of hours of care provided to children who attended the service in the fortnight beginning on 20 July 2020 (for a service located in metropolitan Melbourne or Mitchell Shire, Victoria) or 10 August 2020 (for another service) is less than 40 per cent of the total number of hours of care provided to children who attended the service in the reference fortnight for the service.

## 5. Amount of Low Charged Hours Payment

- (1) A Low Charged Hours Payment for a provider is the sum of the amounts worked out under this clause for each service of the provider located in Victoria, multiplied by eight.
- (2) The amount for a service is a percentage of the reference fortnight amount for the service, divided by two, determined by the combined total of:
  - (a) the percentage of the service's total reference fortnight fee revenue that the provider is already receiving from Transition Payment, Increased Transition Payment, Special Transition Payment (3 refers) and Additional Viability Support Payment (as applicable), and
  - (b) the average weekly charged hours (5(d) refers) recorded by the service in the fortnight 10 August to 23 August 2020 as a percentage of the average weekly charged hours from the reference fortnight.
- (3) For the purposes of calculating the amount of the Low Charged Hours payment, the Special Transition Payment of 15 or 25 per cent for OSHC services will be included in a service's total Transition Payment as these services are not eligible for the Additional Viability Support Payment.
- (4) However, the amount in relation to a service is nil if the provider fails or has failed to comply with the grant agreement or these Guidelines (including the eligibility criteria) in relation to the service.
- (5) In this clause:


- (a) The Payment is equal to eight weeks' worth of 5 to 55 per cent of each eligible service's fee revenue (capped at the relevant CCS hourly rate for that service; and
- (b) the fee revenue (capped at the relevant CCS hourly rate) of a service during the reference fortnight is the sum of hourly session fees for sessions of care provided by the service during the fortnight; and
- (c) the Transition Payments are one or more of the separate payments identified in the grant Guidelines which could include Transition Payment (25 per cent), metropolitan Melbourne uplift (5%), Additional Viability Support Payment (15 per cent), Special Transition Payment (low-CCS – 10, 15 or 25 per cent, (unless 3 applies)).
- (d) the charged hours for a service for a fortnight are the average weekly hours reported by a service for which an individual has incurred a liability to pay fees for the care of children.

If the combined Transition Payments plus charged hours:	... the Low Charged Hours Payment amount is:
75 – 80	5
70-75	10
65-70	15
60-65	20
55-60	25
50-55	30
45-50	35
40-45	40
35-40	45
30-35	50
25-30	55

Note: only services with charged hours average weekly amount of charged hours for the service in the fortnight from 10 August to 23 August 2020 50 per cent or less than the average weekly amount of charged hours for the service in the reference fortnight will be eligible.

## 6. Reference fortnight amount and reference fortnight for a service

- (1) The reference fortnight amount for a service is the sum of reference hourly fees for all sessions of care provided by the service during the reference fortnight for the service.
- (2) In these Guidelines:
  - (a) the reference fortnight for a service is (subject to subclause (3)):

- 
- (i) in relation to an OSHC service that provides only vacation care—the fortnight starting on the first Monday of the school holidays between school Term 3 and Term 4 in 2019 in the State or Territory in which the service is located; and
  - (ii) in relation to any other kind of service—the fortnight starting 17 February 2020
- (b) the reference hourly fee for a session of care is of the lower of:
- (i) the hourly session fee for the session; and
  - (ii) the CCS hourly rate cap for the session.

Note: The CCS hourly rate cap for a session of care is set out in the table at subclause 2(3) of Schedule 2 to the A New Tax System (Family Assistance) Act 1999.

- (3) If a service was not paid one or more fee reduction amounts under section 67EB of the A New Tax System (Family Assistance) (Administration) Act 1999 during the reference fortnight mentioned in subclause (2), the service’s reference fortnight is a fortnight determined by the Secretary during which the service was paid one or more fee reduction amounts.

## **7. Commonwealth’s right to set-off**

The Commonwealth may recover payments under the Relief Package that were made in error (for example, overpayments and payments where there was no entitlement) (“ECEC debts”), by setting off the ECEC debts against one or more Transition Payments and any Special Transition Payment, Additional Viability Support Payment or Low Charged Hours Payment and the Grant amount shall be reduced by the amount of the set off.