

DEPARTMENT OF EDUCATION, SKILLS AND EMPLOYMENT

Commonwealth Grant Opportunity

GO4093

Grant Opportunity for the Community Child Care Fund – Special Circumstances – Transition Payments 2020

ADDENDA No. 1

a) Clarification of Eligibility Criteria

The Department has made changes to the Eligibility Criteria located at 2.2, Page 4 of the original Grant Opportunity Guidelines, in particular regarding JobKeeper eligibility. The amended criteria are below.

Eligibility criteria

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,
- from 20 July 2020, ensure that they:
 - do not claim or receive JobKeeper payments for their business participants (within the meaning of the JobKeeper Rules^[1]);
 - 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 while the provider is in receipt of the grant; and
 - not charge any person fees for child care in the Transition Period that exceed 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 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 long-term leave.

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

Those providers which have compliance action on hand and which 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.

New services approved for CCS on or after 13 July 2020 will be eligible for the 25% transition payment. The Department will work with providers for these services on a reference fortnight.

b) Changes to Calculation of Transition Payments

The Department has made changes to the Calculation of Grant Payments located at Schedule A, Page 7 of the original Grant Opportunity Guidelines, specifically regarding circumstances for a nil weekly payment, and the Commonwealth's right to set-off. The amended calculation information is below.

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 for each week in the period beginning on 13 July 2020 and ending on 13 September 2020, less any amounts set off under clause 4.

2 Amount of weekly Transition Payment

- (1) A Transition Payment for an approved provider for a week 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 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 the sum of reference hourly fees for all sessions of care provided by the service during the reference fortnight for the service, divided by two.
- (2) For subclause (1):
 - (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; and
 - (b) the **reference hourly fee** for a session of care is 25 per cent 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 Family Assistance Act.

- (3) If a service was not paid one or more fee reduction amounts under section 67EB of the Family Assistance Administration Act 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.
- (4) The weekly amount in relation to a service is nil if:
 - (a) the service is closed for a reason other than because a 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.

4. 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 the Grant amount shall be reduced by the amount of the set off.

End of Addenda