



# Early Childhood Education and Care Relief Package Conditions

## Preamble

The availability of early childhood education and care services is a critical underpinning of the Australian economy. It is also vital to ensuring that families, especially emergency and essential workers, can work during the COVID-19 pandemic, and that disadvantaged and vulnerable children are safe and receiving care.

To ensure ongoing availability of early childhood education and child care services for Australian families, from 6 April 2020 until 12 July 2020, services that remain open and have children enrolled will receive a weekly payment to ensure they can continue to deliver care to families who need it. These payments will be made instead of the usual Child Care Subsidy (CCS) and Additional Child Care Subsidy (ACCS) payments, which will cease from 6 April 2020. Importantly, these payments will complement the Government's [JobKeeper Payment](#).

The Early Childhood Education and Care Relief Package payment is a base rate of the service's fee revenue for a prescribed baseline period.

In addition to this significant measure to support child care providers, the operation of the CCS will be suspended and therefore child care fees will not be charged during this period. This measure will support families and child care providers through the current period of unprecedented job losses and financial hardship.

## Timeframe

Early Childhood Education and Care Relief Package payments will commence on 6 April 2020 and cease the week ending 12 July 2020.

Payments will be made weekly unless otherwise notified to the sector by the department (Note: the twelfth weekly base payment was paid as an advance at the time of the second weekly base payment). An additional weekly base payment will be paid prior to the end of the Relief Package to assist providers' transition to the recommencement of CCS and ACCS from 13 July 2020.

## What are the Early Childhood Education and Care Relief Package payments?

Under sections 205A and 205B of *A New Tax System (Family Assistance) (Administration) Act 1999* and sections 60A to 60F of the *Child Care Subsidy Minister's Rules 2017*, a payment will be made where a child care provider fails to give a session report due to circumstances which are beyond their control. Due to the COVID-19 pandemic and significant reduction in enrolments, payments will be made to ensure the ongoing viability of the child care sector.

## What conditions must be met to receive the payments?

The provider must meet the following conditions:

- the service remains open and provides sessions of care to at least one child, unless closed on public health advice\* or by a state regulatory authority for COVID-19 health and safety reasons
- families and carers are not charged fees in relation to sessions of care provided to children during the period the provider receives the payments
- priority of access is given to children of essential workers, vulnerable and disadvantaged children and previously enrolled children
- the provider/service continues to record attendance of children
- where children enrol at a service who otherwise would be considered 'at risk' for the purposes of ACCS (child wellbeing) services are required to make a referral to an appropriate support agency as per the existing ACCS (child wellbeing) referral requirements
- the provider and service must comply with all other Family Assistance Law and National Law requirements, including remaining eligible for the CCS.

**\*Note:** Advice to close the service must be specific to that service and have been provided in writing by the relevant health authority or state regulatory authority.

It should be noted that Early Childhood Education and Care Relief Package payments are discretionary payments under Family Assistance Law, and failure to comply with the conditions can result in the payments being reduced or suspended.

## How is the payment amount determined?

A weekly payment amount will be determined based on the total fees charged by the service during a reference fortnight and the reference hourly fee (up to hourly rate cap) for a session of care.

Although the payment amount is a weekly amount, the department will use an amount based on a fortnight's worth of fees to mitigate the impacts of variability in payments that might have occurred during a single week or from week-to-week. This amount will be halved to work out a weekly payment.

## What is the reference fortnight?

The reference fortnight is as follows:

- The fortnight that commenced on 17 February 2020 for most services.
- For an Outside School Hours Care (OSHC) service that provides only vacation care – the fortnight that commenced 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.
- For new services that commenced operation from 2 March 2020, the first fortnight of operation is based on the CCS hourly rate cap for the service type and weekly hours claimed.
- **Note:**
  - where a service charged reported fees for only part of the fortnight starting 17 February 2020, or in the school holidays between Terms 3 and 4 in 2019, according to the published school holiday in the state or territory, the amount will be calculated on the week in which care occurred and the amount doubled.
  - News services will be approved during the relief package period in exceptional circumstances only.

#### Example

- An OSHC service that operates in New South Wales provides only vacation care. Therefore, their reference period is 30 September 2019 to 13 October 2019.

#### Example

- An OSHC service provides both vacation care and before and after school care. Their reference period is from 17 February 2020 to 1 March 2020.

#### Example

- An OSHC service operating in New South Wales providing only vacation care, charged fees for one week in the school holiday period between Term 3 and 4 in 2019. However, the reference fortnight for the service does not change, meaning that the base weekly amount for the provider of the service that is calculated under the Rules, would be effectively half of the amount it would be if the service had operated for the full reference fortnight, instead of only one week. However, the provider of the service will receive a supplementary payment to adjust for the week.

## What is the reference hourly fee?

The **reference hourly fee** for a session is 50 per cent of the lower of:

- a. The hourly fee for the session; and
- b. The relevant CCS hourly rate cap.

#### Example

- A Centre Based Day Care (CBDC) service charges \$100 for a 10 hour session of care. Therefore, their hourly fee is \$10 per hour ( $\$100 \div 10 = \$10$ )
- The CBDC hourly rate cap is \$11.98
- The reference hourly fee is the hourly fee (\$10) because it is lower

- 50 per cent of the reference hourly fee is \$5 ( $\$10 \times 50\% = \$5$ ).

### Example

- A CBDC service charges \$130 for a 10 hour session of care. Therefore, their hourly fee is \$13 per hour ( $\$130 \div 10 = \$13$ ).
- The CBDC hourly rate cap is \$11.98.
- The reference hourly fee is the CBDC hourly rate cap (\$11.98) because it is lower.
- 50 per cent of the hourly reference fee is \$5.99 ( $\$11.98 \times 50\% = \$5.99$ ).

## What is the calculation for the payments?

The examples below set out the payment calculation.

### Example

On the fortnight starting 17 February 2020, a service had 20 children attending the service. Each child attended 10 sessions of care for the fortnight (or five per week) and was charged \$100 for a ten hour session (meaning the hourly fee was \$10). This example assumes that all of the children were charged the same amount for the same session lengths. For that fortnight, the service's total fees charged were \$20,000 (or \$10,000 per week).

The payment this service will receive is worked out below:

- The service's hourly reference fee is \$10 (because it is lower than the CBDC hourly rate cap)
- $\$10 \text{ hourly fee} \times 50\% = \$5 \text{ paid per hour}$
- $\$5 \times 10 \text{ hour session} = \$50 \text{ paid per session}$
- $\$50 \times 20 \text{ children} \times 5 \text{ sessions per week} = \$5,000 \text{ paid per week}$ .

### Example

On the fortnight starting 17 February 2020, a CBDC service had 20 children attending the service. Each child attended 10 sessions of care per fortnight (or five per week) and were charged \$130 for a 10 hour session (meaning the hourly fee was \$13). This example assumes that all of the children were charged the same amount for the same session lengths. For that fortnight, the service's total fees charged were \$26,000 (or \$13,000 per week).

The payment is worked out below:

- The service's hourly reference fee is \$11.98 (because their hourly fee is above the CBDC hourly rate cap at \$13).
- $\$11.98 \times 50\% = \$5.99 \text{ paid per hour}$ .
- $\$5.99 \times 10 \text{ hour session} = \$59.90 \text{ paid per session}$ .
- $\$59.90 \times 20 \text{ children} \times 5 \text{ sessions per week} = \$5,990 \text{ paid to the service per week}$ .

The payment will be rounded to the nearest \$100.

## What if my service did not receive payments during the reference period?

Where a service did not receive any payments during the reference fortnight (for example, because the service is new or was simply not operating during the fortnight), the provider of the service may be paid a weekly supplementary amount upon application.

Providers will need to apply for an Exceptional Circumstance Supplementary Payment if they have services in this category as an automatic adjustment will not be made.

## What if my service does not want to receive payments under the Early Childhood Education and Care Relief Package?

Providers can choose to opt out of receiving Early Childhood Education and Care Relief Package payments for one or more of their services and continue to operate by charging full fees to families. Providers will need to give notice of the voluntary suspension of CCS approval for any of their services. To do so they should write to their state assessment team requesting to suspend their provider approval and cite the desired period of the suspension.

If any payments have been made before the request to voluntarily suspend a provider's approval is given and the provider has charged families fees then the payments will need to be repaid to the department.

If a provider wants to opt back in, they will need to contact the department to reinstate their provider approval and can receive a payment for the next following week. Reinstatement of voluntary suspensions of a provider's approval cannot be backdated.

## Can I receive the Early Childhood Education and Care Relief Package payments if my service is closed?

Eligibility for the Early Childhood Education and Care Relief Package payments for closed services is conditional on the circumstances of the closure:

- services that are directed to temporarily close by state or territory health or education regulatory authorities for COVID-19 related reasons **will** be eligible for the payments
- where a service makes a business decision to close and it has not been directed to do so by public health advice, there is no entitlement to CCS while the services remains closed and therefore the payments **will not** be paid.

In either situation, the provider must notify the department. The existing procedures for closed services must also be followed.

## **Can providers submit session reports during the period 6 April 2020 to 12 July 2020?**

Providers and services will not be able to submit session reports for any sessions of care provided over the period 6 April 2020 to 12 July 2020 in either their third party software or the Provider Entry Point (PEP), including after 12 July 2020.

**Note:** Sessions of care should still be recorded for record keeping purposes.

## **How and when are payments made?**

Payments will be made automatically through the Child Care Subsidy System to the nominated bank account for CCS payments of the provider. Providers should continue to ensure that bank account details are correct using their third-party software.

Payments will be made on a weekly basis, commencing during the week beginning 6 April 2020. The department expects that the majority of providers will receive payments midweek, however, this will depend on providers' individual banking arrangements.

## **Requirement for providers to NOT collect co-contribution amount**

The conditions for the payments are intended to ensure that, where possible, services remain open to provide child care and do not charge a fee for providing that service. The operation of payments will suspend the operation of the CCS. Families must not be charged any child care fees during this period, therefore services will not be required to collect the co-contribution or 'gap fee' amounts from families or carers.

While providers receive payments, they should not be changing their service offer as agreed with families prior to 6 April 2020, and/or increasing or adding new administrative fees. It is a condition of the payment that providers will not seek to replace the gap fee amount through new and additional charges to parents and carers. Services may continue to charge administrative fees that do not form part of the session of care fee that a family's Child Care Subsidy was calculated on, for example, late pick-up fees. However, services are not to increase these fees for the duration of the Relief Package or add new fees that were not listed in a family's Complying Written Agreement.

The department encourages anyone to report any instances of this behaviour. Parents and carers who are asked to pay fees for child care, additional or increased administrative fees, or provide consumables that were provided previously during this period should contact the department's tip off line, as will parents and carers who are prioritised for access to care and are refused.

## **What about children eligible for Additional Child Care Subsidy?**

The payments to services are not in respect of individual children attending the service during any sessions over the period 6 April 2020 to 12 July 2020, rather the amount is based on the total fee (or the applicable hourly rate cap, whichever is the lower) for the reference period, and therefore ACCS will not apply.

Where a service either has or enrolls a child considered to be at risk of serious abuse or neglect, the service must continue to refer the child or family to the appropriate support agency in order to comply with the legislative requirements.

Services should monitor expiring ACCS (child wellbeing) determinations to ensure that children return to their ACCS (child wellbeing) entitlement after 12 July 2020, where this is appropriate.

## **Are there different arrangements for Family Day Care or In Home Care providers?**

No. The payments will be paid as a lump sum on a weekly basis at the provider/service level depending on the existing payment arrangements. Consistent with existing arrangements for CCS, payments will not be made to educators. Approved providers are responsible for the administration of the payment including decisions on how to apply payment amounts to individual educators.

Approved providers as business owners, should explore options to support their business model and their educators. Further information is provided below under the heading 'Where can I find additional assistance?'

## **Will providers continue to be subject to existing reporting requirements?**

Yes. With the exception of providing reports of sessions of care during the period 6 April 2020 to 12 July 2020, providers must continue to comply with all existing record keeping and notice giving requirements of Family Assistance Law and the National Quality Framework. The requirements include, but are not limited to:

- recording attendances
- recording absences
- providing families with reports of attendance
- observing the requirements for people working in child care
- notifying the department of key personnel changes, including a person with management or control of the provider (including any person who is responsible for the day to day operation of any of the provider's approved child care services)
- maintaining documentation on police checks and working with children
- maintaining names and contact details of a Family Day Care educator or In Home Care educators for any such service
- facilitating sign-in and out times for children using care.

## **Can families continue to be assessed for Child Care Subsidy?**

Yes. Eligible families seeking child care should continue to apply for CCS using their Centrelink online account through myGov so that subsidies can flow after the payment arrangements finish on 12 July 2020.

## **Will payments be subject to Child Care Subsidy Balancing (i.e. reconciliation)?**

No. The payments made under the Early Childhood Education and Care Relief Package for the period 6 April 2020 to 12 July 2020 will be quarantined from the reconciliation process and will not be included in a parent or carer's end of year balancing.

## **Under what circumstances can a service seek a higher payment?**

The Early Childhood Education and Care Relief Package payment is complementary to other government assistance, particularly the JobKeeper Payment. Eligible providers should have applied for this and other available state and Australian Government support to ensure they are maximising all available assistance.

## **Exceptional Circumstance Supplementary payment – reference period and demand**

Services can apply to the Department of Education, Skills and Employment to receive an Exceptional Circumstance Supplementary Payment in limited circumstances based on the number of children in attendance. These include but are not limited to where:

- services were not operating during the reference period
- the number of attendances during the reference period is significantly and demonstratively lower than the current number of attendances at the service from 6 April 2020 onwards a service experiences a significantly higher demand for child care for children of essential workers and/or vulnerable and disadvantaged children during the period 6 April 2020 to 12 July 2020.

The provider will need to provide rationale and evidence supporting their application for a higher payment.

The Department will only approve one application (the first received) in a four-week period (i.e. 6 April 2020-3 May 2020, 4 May 2020-31 May 2020, 1-28 June 2020).

The department will not accept applications after 11.59 pm, 20 June 2020. Any supplementary payment approved prior to 21 June 2020 will continue to apply to the period up to 12 July 2020.

If a service is assessed as not eligible to receive an Exceptional Circumstance Supplementary Payment, they may apply again if there is a subsequent increase in demand for care, namely, an increase in the number of children attending that service and/or an increase in the number of hours of care.

Providers will be notified of the decision in writing.

Providers must tell the department if their income goes up due to receiving extra state or government assistance.



In Home Care (IHC) providers, or large providers (those with 50 or more services), should email [ECECreliiefpackage@dese.gov.au](mailto:ECECreliiefpackage@dese.gov.au) to request a service-level spreadsheet to complete. This streamlined process is available to IHC and large providers even if not all services are eligible for Exceptional Circumstance Supplementary Payments.

If a provider is approved for an Exceptional Circumstance Supplementary Payment, the higher amount will be backdated to the beginning of each four-week period.

The amount and payment are non-reviewable decisions under *section 109A of the A New Tax System (Family Assistance) (Administration) Act 1999*.

## Exceptional Circumstance Supplementary payment – JobKeeper ineligibility

An application may be made to the Department of Education, Skills and Employment for an Exceptional Circumstance Supplementary Payment, of an amount higher than the base business continuity payment, where the provider has high numbers of employees who are ineligible for the JobKeeper payment. These circumstances include but are not limited to:

- providers that are not eligible for JobKeeper, including non-government schools, large charities/not for profit organisations, but excluding state and local government services. If approved, the Exceptional Circumstance Supplementary Payment will be backdated to 6 April 2020.
- Family Day Care and IHC Educators that were providing care in the reference period that are not eligible for a JobKeeper Payment, but who applied for an Australian Business Number by 1 June 2020. If approved, the Exceptional Circumstance Supplementary Payment will be backdated to 6 April 2020.
- services that have 30 per cent or more full-time equivalent current employees<sup>1</sup> who are not eligible for JobKeeper Payment and where the provider or service has not applied or received another Exceptional Circumstance Supplementary Payment for these employees. The total amount of an Exceptional Circumstance Supplementary Payment for JobKeeper ineligible employees that will be paid to the provider will be no more than 35 per cent of the weekly payment calculated on the reference fortnight base rate. If approved, the Exceptional Circumstance Supplementary Payment will be backdated to 18 May 2020.

Providers will need to provide rationale and evidence supporting their application for a higher payment.

The department will not accept applications after 11.59 pm, 20 June 2020. Any supplementary payment approved prior to 21 June 2020 will continue to apply to the period up to 12 July 2020. The amount and payment are non-reviewable decisions under *section 109A of the A New Tax System (Family Assistance) (Administration) Act 1999*.

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<sup>1</sup> Current employees means those employed by the provider during the reference period and from 18 May 2020 onwards. State government/local government run providers are not eligible

## Exceptional Circumstance Supplementary payment – In Home Care

In recognition of the higher costs associated with In Home Care sessions of care, providers will be eligible for an Exceptional Circumstance Supplementary Payment of 20 per cent of the reference fortnight base rate. The Exceptional Circumstance Supplementary Payment will be made from – and backdated to – 18 May 2020. In Home Care providers do not need to apply for this Exceptional Circumstance Supplementary Payment as it will be made automatically.

## Review of Early Childhood Education and Care Relief Package

Payments are intended to provide business continuity for the child care sector and to provide stable income to child care services during a time of falling enrolments to allow them to continue to operate, and to provide fee relief to families during the COVID-19 pandemic. These amendments acknowledge and are intended to cater for dynamic circumstances.

Updates made in Versions 3 and 4 of the Conditions document are in response to the previously announced Four Week Review of the Early Childhood Education and Care Relief Package.

## Where can I find other additional financial assistance?

Other Australian Government assistance available to businesses affected by COVID-19 complementary to the Early Childhood Education and Care Relief Package include:

- [JobKeeper payment](#)
- [Boosting Cash Flow for Employers measure](#), and
- [Temporary relief for financially distressed businesses](#).

Further information on the assistance available to businesses affected by the COVID-19 pandemic is available at [treasury.gov.au/coronavirus/businesses](https://treasury.gov.au/coronavirus/businesses).