



FACT SHEET - CHILDCARE

The Childcare Sector is a special category of business in how Governments have responded to the COVID19 crisis. Childcare businesses will be eligible for the various businesses initiatives in the normal manner ([Business Fact Sheet](#)) and have also been considered for sector specific support as outlined below.

Early Childhood Education and Care Relief Package

On the 6th of April, the Early Childhood Education and Care Relief Package was announced. The aim being to provide free childcare to around one million families, and support services to remain open, to ensure essential workers and disadvantaged and vulnerable children can continue to access much needed care.

The payments under this package are made automatically, on a weekly basis, and replace the usual Child Care Subsidy (CCS) and Additional Child Care Subsidy (ACCS) payments until 21 June 2020. In order to assist services with cash flow, the first payment made consists of one week of payments, and one week advance payment.

The amount received by the services will be calculated based on the lower of the following:

- 50% of the services' hourly fees and
- 50% of the existing hourly rate cap

A weekly payment amount is determined based on fees during a set reference period. For an Outside School Hours Care (OSHC) service that provides only vacation care – the reference period is the fortnight that commenced on the first Monday of the school holidays between Term 3 and Term 4 in 2019 in the relevant State or Territory.

For all other services, the reference fortnight is the period started 17 February 2020.

Criteria for receiving payments:

- Service must remain open as normal
- Parents cannot be charged any fees
- Priority must be given to essential workers, vulnerable and disadvantaged children and previously enrolled children
- Service must continue to record attendance of children
- Service must comply with all other provider obligations including National Quality Framework and other relevant conditions of approval under the Family Assistance Law.

This package does not apply to community kindergarten and preschool services – however, local Governments in QLD, NSW and VIC have all introduced financial support packages to assist this sector. In QLD alone, the Government announced a \$17 million relief package to enable free community kindergarten for term 2. Similarly, the Victorian Government is giving a \$108.4 million funding boost for kindergarten services, and NSW is offering free preschool for up to six months.





Interaction with Other Programs

Importantly, these payments will complement the Government's recently announced JobKeeper Payment ([Employer Fact Sheet](#)) to assist services in retaining employees. As the services' revenue will be reduced by 50%, it is expected that all services will qualify for the JobKeeper payments.

Childcare providers will also be eligible for the Boosting Cash Flow for Employers measure ([Employer Fact Sheet](#)) which will be paid to service providers via the Business Activity Statement system.

Furthermore, the recently announced Code of Conduct for tenants and landlords ([Property Fact Sheet](#)) should be considered, where centres have an aggregated turnover of less than \$50 million.

Additional funding for early childhood education and care providers

In exceptional circumstances, providers may apply for a 'top up' of the payments under the Early Childhood Education and Care Relief Package payments.

Exceptional circumstances include:

- Current enrolment **and attendance** from 6 April and onwards are higher than the reference period; and / or
- The service is experiencing a significant higher demand for childcare for vulnerable and disadvantaged children during the period 6 April 2020 to 28 June

How we can help

We can provide support to childcare service providers by assisting with eligibility assessment and JobSeeker applications. We can also assist with cash flow planning, including the expected Boosting Cash Flow for Employers measure, and assessment of the rent rebate.

Cordner Advisory will continue to monitor the developments in this sector and provide further updates as they become available.

Next steps

Contact us on 5504 5700 or email info@cordner.com.au to discuss your circumstances and how we can assist you.

