



The Hon Dan Tehan MP
Minister for Education

Parliament House
CANBERRA ACT 2600

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Mr David Shoebridge MLC
Legislative Council
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Mr Shoebridge

David,

Thank you for your letters of 29 and 30 March 2020 to the Hon Sarah Mitchell MLC, Minister for Education and Early Childhood Learning, regarding the impacts on services of the novel coronavirus (COVID-19). As some of the matters raised falls within my portfolio responsibilities as Minister for Education, your letters have been referred to me.

In the lead up to April 2020, Australia's child care centres were experiencing mass withdrawals and the sector was on the brink of collapse. This why the Australian Government moved quickly to implement the \$1.6 billion Early Childhood Education and Care Relief Package (the Relief Package). The Government's primary aim was to support child care centres to remain open for as long as possible.

The Relief Package was intended as a temporary rescue measure. It was designed to ensure the viability of the child care sector, and guarantee funding from 6 April 2020, whilst continuing to make child care accessible to families. It was designed to work in conjunction with a range of other Government assistance, especially the JobKeeper Payment of \$1,500 per fortnight as well as other Government support such as the Cash Flow Boost for Employers payment, where a business can receive up to \$100,000.

In developing the Relief Package, the Government listened to the representations that were made from across the sector. This feedback informed a number of adjustments that were announced in the first week of May 2020, including:

- making JobKeeper Payments more accessible to child care workers by obtaining a ruling from the Australian Taxation Office that Relief Package payments were exempt from calculations for the JobKeeper Payment
- increasing payments to the not-for-profit sector in recognition of their ineligibility for the JobKeeper Payment
- expanding access to Exceptional Circumstances payments for Family Day Care and In Home Care providers who as sole traders were not eligible for the JobKeeper Payment.

At the time of announcing the Relief Package, I committed to undertaking a four week review of the Relief Package and to continue to listen to the sector and to understand the extent to which the objectives of the Relief Package were being achieved.

I am pleased the review found the Relief Package had succeeded in its objective of keeping services open and viable, with 99 per cent of around 13,400 services operational as of 8 May 2020.

In response to the review, on 20 May 2020 I was pleased to announce further support for child care services with more than 30 per cent of full time employee equivalents ineligible for the JobKeeper Payment and further support for the In Home care sector.

On 8 June 2020, I announced the Relief Package would be extended until 12 July 2020. The Child Care Subsidy (CCS) and Additional Child Care Subsidy will recommence from 13 July 2020, along with a relaxed activity test for families and a new Transition Payment for providers. These arrangements mean that from 13 July 2020, parents will return to making their co-contribution to child care fees.

The Morrison Government will provide assistance to families who have had their hours of activity reduced because of COVID-19 by providing access of up to 100 hours of subsidised child care per fortnight up until 4 October 2020. This will support families and children to continue in their child care arrangements.

Additionally, a Transition Payment will be paid to all approved providers who received CCS previously, including services operated by state, territory and local governments. Transition Payments are up to 25 per cent of services' fee revenue or the existing hourly rate cap, whichever is lower, in the relevant reference period. Transition Payments will be made for the period 13 July 2020 to 27 September 2020 and will require services to:

- offer an Employment Guarantee by continuing to employ those employees over the transition period who were working or being paid JobKeeper at the end of the Relief Package, and
- cap fees to the level in the relevant Relief Payment reference period.

The JobKeeper Payment will cease from 20 July 2020 for employees of a CCS-approved service and for sole traders operating a child care service.

The intention of returning to the CCS, along with the new measures, is to provide continued support to the early childhood education and care sector during these times and to increase families' access to affordable early childhood education and care. Detailed information about the changes is available on the Department of Education, Skills and Employment's website at www.dese.gov.au/covid-19/childcare.

I trust this information is of some assistance and thank you for bringing your concerns to my attention.

Yours sincerely



DAN TEHAN