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The Hon. Scott Morrison MP
Prime Minister

The Hon. Dan Tehan MP
Minister for Education

JOINT MEDIA RELEASE

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EARLY CHILDHOOD EDUCATION AND CARE RELIEF PACKAGE

Around one million families are set to receive free child care during the coronavirus pandemic under a plan from the Morrison Government that will help deliver hip pocket relief and help the early childhood education and care sector make it through to the other side of this crisis.

Under the plan, the Government will pay 50 per cent of the sector’s fee revenue up to the existing hourly rate cap based on a point in time before parents started withdrawing their children in large numbers, but only so long as services remain open and do not charge families for care. The funding will apply from 6 April based on the number of children who were in care during the fortnight leading into 2 March, whether or not they are attending services.

Prime Minister Scott Morrison said the plan supports families while also ensuring as many of the sector’s 13,000 child care and early learning services as possible could keep their doors open for workers and vulnerable families who need those services.

The plan provides funding certainty to early childhood education and care services at a time where enrolments and attendance are highly unpredictable. This, along with the JobKeeper payment, means services can offer free education and care.

“Relief is on its way for around a million Australian families and thousands of early learning educators and carers,” the Prime Minister said.

“These services are vital for so many parents so they can provide for their family, and children need as much familiarity and continuity as we can help provide at this unsettling time. Priority will be given to working parents, vulnerable and disadvantaged children that need early education more than ever and parents with pre-existing enrolments.

“This plan complements more than \$1 billion we expect the sector to receive through our new JobKeeper payment to help ensure many of the 200,000 vital early education workforce can stay connected to services.

“It means building a bridge for these valuable services to the other side of this virus so they can continue to play their valuable role in our workforce and education systems and so Australia can bounce back strongly.”

The plan means the sector is expected to receive \$1.6 billion over the coming three months from taxpayer subsidies because of the March 2 baseline that has been set, compared to an estimated \$1.3 billion if current revenues and subsidies had continued based on the existing system and the significant reduction of enrolments the sector has seen.

The new system will see payments start flowing at the end of next week. The system will be reviewed after one month, with an extension to be considered after three months. The payments will be paid in lieu of the Child Care (CCS) and Additional Child Care Subsidy payments.

Minister for Education Dan Tehan said the assistance package would ensure services remained open to serve families that needed to work and to support vulnerable children.

“The Federal Government is working with states and territories and the sector to minimise the impact of coronavirus,” Mr Tehan said.

“The states and territories are looking at how to reduce the regulatory burden on the child care services which will further help them to remain viable. The Education Council of the country’s education ministers as well as National Cabinet will address regulation this week.

“This package will help support families during these difficult times, particularly those who have lost their job and are doing it tough.

Until the payments arrive, we are allowing services to waive gap fees for families who keep their children home, and families will be able to use the 20 extra absence days the government has funded for coronavirus related reasons without giving up their place in a child care centre.

“If you have terminated your enrolment since 17 February, then I encourage you to get back in contact with your centre and re-start your arrangements. Re-starting your enrolment will not require you to send your child to child care and it certainly won’t require you to pay a gap fee. Re-starting your enrolment will, however, hold your place for that point in time when things start to normalise, and you are ready to take your child back to their centre.”

“We will also make payments of higher amounts available in exceptional circumstances, such as where greater funding is required to meet the needs of emergency workers or vulnerable children.

“The Government is also providing certainty to the preschool sector in recognition of its importance to a student’s formal education.”

The Morrison Government will also provide \$453.2 million for preschools in 2021 to support almost 350,000 children to attend preschool. The funding injection comes on top of the \$3.2 billion the government has delivered for preschool education since 2014.

There is a range of government assistance available to early learning and child care operators. Most services operate as small businesses, with 79.9 per cent of providers operating a single service, while 95.9 per cent operating fewer than five. The available assistance includes:

- The \$130 billion JobKeeper payment
- A cash flow boost of at least \$20,000 and up to \$100,000 with payments equal to 100 per cent of businesses' and not-for-profits' salary and wages withheld
- Loan guarantees so businesses can get working capital

National Cabinet is also considering short-term intervention for commercial tenancy arrangements.

Child care services seeking health and situation information about COVID-19 should contact the 24/7 National Coronavirus Health Information Line on 1800 020 080. Information is also available from <https://www.dese.gov.au/news/coronavirus-covid-19>

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