



Australian Government
Department of Education,
Skills and Employment

Community Child Care Fund Special Circumstances

Victorian Recovery Payment Guidelines

Commonwealth policy entity:	Department of Education, Skills and Employment
Administering entity:	Department of Education, Skills and Employment
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1. About the grant

The Victorian Recovery Payment ('Recovery Payment') will be provided to all eligible Victorian services and includes additional support for Outside School Hours Care (OSHC) services. The payment is in response to the restrictions faced by the Victorian Early Education and Care (ECEC) sector and acknowledges they have a different recovery trajectory compared to services elsewhere in Australia.

The purpose of this payment is to support services to remain viable, to retain staff and to continue to provide care to families as Victoria recovers from the impact of the COVID-19 pandemic.

A strengthened Employment Guarantee forms part of the conditions for the Recovery Payment. The Employment Guarantee provides employment security for early childhood education and care workers. It ensures that providers pass support payments on to educators and employees through wages and payments. Family Day Care (FDC) and In Home Care (IHC) providers must pass on at least 80% of the Recovery Payment to their staff and educators through wages and payments. The department may request evidence from services showing how they have met the conditions of the Recovery Payment. All providers must also maintain the same staffing profile they had during the fortnight 20 July to 2 August 2020. This means you must maintain the same balance of full-time, part-time and long-term casuals. There are specific staffing requirements for each service type.

This grant will be administered by the Department of Education, Skills and Employment (the department).

The grant is to be undertaken in accordance with the [Commonwealth Grants Rules and Guidelines \(CGRGs\)](#)¹

2. Grant amount and grant period

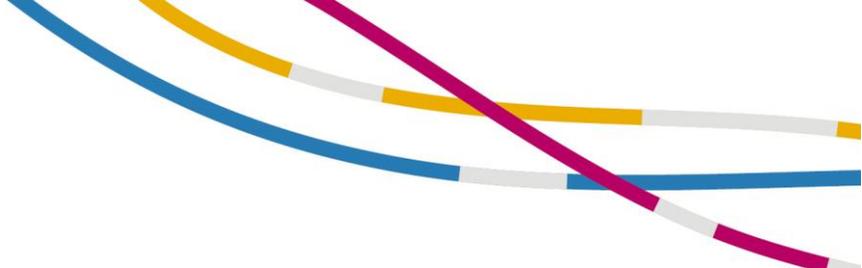
See [Schedule A](#) for detail on how the Recovery Payment for eligible approved services will be calculated. Broadly, for each week in a payment period, providers will be paid a percentage of what they earned in a reference period.

Victorian Recovery Payment

Providers of CBDC, FDC and IHC services in Victoria that meet the eligibility criteria set out in section 2.2 will be offered a Recovery Payment for the period from 28 September 2020 to 31 January 2021 (the Recovery Period).

The amount for the Recovery Payment is 25 per cent of the average weekly fee charged by the service during the reference fortnight (capped at the relevant CCS hourly rate cap), multiplied by 18 weeks for each CBDC, FDC and IHC service.

¹ This requirement assumes that all part-time permanent employees worked at least the minimum hours prescribed in their part-time agreement during the guarantee fortnight.
www.finance.gov.au/government/commonwealth-grants/commonwealth-grants-rules-and-guidelines



OSHC services

Providers of OSHC services that meet the eligibility criteria set out in section 2.2 will be offered a Recovery Payment. The Recovery Payment for eligible OSHC services will commence:

- from 19 October 2020 for OSHC services located in metropolitan Melbourne; and
- from 12 October 2020 for OSHC services located elsewhere in Victoria.

The timing for the Recovery Payment may be adjusted should the dates for the return to face-to-face schooling be altered by the Victorian Government.

The amount for the Recovery Payment for an OSHC service is 40 per cent of the average weekly fee charged by the service during the reference fortnight (capped at the relevant CCS hourly rate cap), for each week the service provides care, multiplied by:

- up to 15 weeks for OSHC services in metropolitan Melbourne (being the number of weeks of care provided in the period beginning 19 October 2020 and ending on 31 January 2021); and
- up to 16 weeks for OSHC services outside metropolitan Melbourne (being the number of weeks of care provided in the period beginning 12 October 2020 and ending on 31 January 2021).

The number of weeks an eligible OSHC service will receive in Recovery Payments will depend on where they are located in Victoria (metro Melbourne or regional) and the weeks of care delivered until the end of the school year (20 December 2020) and the weeks of care delivered during the school holiday period (between 21 December 2020 and 31 January 2021).

2.1. The grant selection process

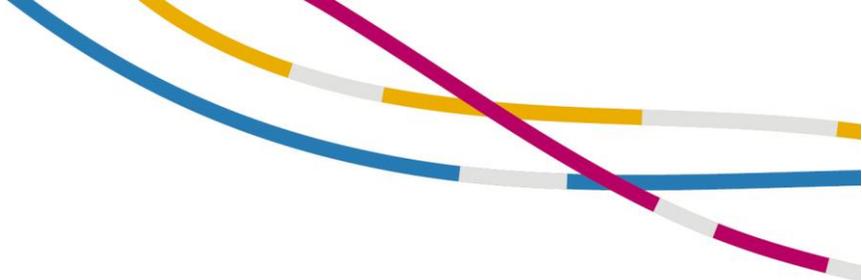
This is a non-competitive grants program payable to Child Care Subsidy (CCS) approved early childhood education and care providers for each of their CCS approved services located in Victoria. Subject to meeting the eligibility criteria, all approved early childhood education and care services located in Victoria are eligible to receive a Recovery Payment.

The Australian Government considers a non-competitive process is appropriate to support early childhood education and care services located in Victoria through a longer recovery period.

A non-competitive grants process maximises access to the grant in a timely and cost-effective manner, and will ensure that families continue to have access to child care during the Victorian recovery period.

2.2. Eligibility criteria

To be eligible to receive the Recovery Payment in respect of a service:

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- the provider must be an approved provider under the family assistance law, and be approved in respect of the service;
 - the service must be located in Victoria;
 - the service must remain open and continue to provide child care (unless the service has been directed to close by a relevant Commonwealth, state or territory government authority or health agency);
 - the provider's approval has not been cancelled or varied under paragraphs 195H(1)(b) or (d), respectively, of the Family Assistance Administration Act, including where the decision is suspended or stayed by the operation of law, including by order of a tribunal or court; and
 - the provider has complied with any applicable obligations under section 2.4 in relation to becoming a participating institution in the National Redress Scheme for Institutional Child Sexual Abuse.

Note: Information about institutions, which have not joined the Scheme are available at the [National Redress Scheme²](#) website.

2.2.1. Additional eligibility criteria for new services

In addition to the eligibility criteria above, a new service must:

- be CCS approved after 13 July 2020 and not have received a Transition Payment;
- provide CCS approved care for two full consecutive weeks prior to 31 January 2021;
- submit session reports for the care referred to in the preceding dot point by no later than 31 January 2021.

The Department will work with providers for these services to determine an appropriate reference fortnight.

Conditions of the grant agreement to be met by all services

A provider will only be paid a Recovery Payment for a service if, in the week that the Payment is payable for, it complies with all the conditions in the Grant Agreement, which include:

Fee guarantee

The provider does not charge child care fees that are higher than the fees it charged in the reference fortnight for the service.

² www.nationalredress.gov.au/institutions/institutions-named-royal



Provider and its staff are not paid Jobkeeper

Individuals who are employed or engaged in duties principally relating to the operation of the service do not claim or receive JobKeeper payments.

The employment (including educator) guarantee

In broad terms, the provider must continue to maintain the current staffing profile including:

- the balance of permanent full-time, permanent part-time and long-term casual covered employees; and
- continuing to employ those employees and educators who were employed during the guarantee fortnight (20 July to 2 August 2020).

A covered employee is an individual whose principal duties relate to the provision of early childhood education and care or the operation of a service, who was paid salary or wages, or leave entitlements, by the provider in relation to the employment guarantee fortnight and who was not on long-term leave (leave that is three months or longer in duration).

Grant must be passed on in wages and payments FDC and IHC

The provider must ensure that, in relation to each FDC service or an IHC service for which it is paid an amount of the Grant ('service amount') for a period, it spends an amount equal to at least 80 per cent of the service amount on salaries and wages for covered employees, and payments for individuals or educators engaged under contract whose principal duties relate to the provision of early childhood education and care or operation of the service for that period.

Continuation of employment

The provider agrees to continue the employment of those employees (including educator employees) of the approved child care service who were working in the employee guarantee fortnight (the fortnight 20 July 2020 to 2 August 2020) over the Recovery Period. This means the provider will not terminate the employment of such employees (including educator employees) without reasonable justification. For the purposes of this clause 'reasonable justification' includes matter such as serious misconduct and loss of an essential qualification, but does not include genuine redundancy.

At any time in the payment period, the provider must not have fewer employees of each of the following kinds than the number of covered employees of those kinds it employed during the employment guarantee fortnight:

- (a) full-time permanent employees;
- (b) part-time permanent employees; and
- (c) long-term casual employees.



Where an employee voluntarily ends their employment, this will be taken into account by the department.

The provider must not, without the written agreement of the employee, reduce or increase the hours of a permanent employee who is a covered employee.

The provider may adjust the staffing profile during the payment period where it provides a covered employee with additional hours or ongoing employment, which benefits and is agreed by the covered employee.

Guarantee of wages and hours

For full-time permanent employees

During the payment period, the provider must pay each full-time employee, undertaking duties related to the operation of a service, their full-time wage.

For part-time permanent employees

During the payment period, where the provider is a centre based day care (CBDC) service, an FDC or IHC service, each part-time permanent covered employee must be offered whichever is the greater of:

- (a) total number of hours in a fortnight that is equal to the hours worked by that employee during the employee guarantee fortnight¹; or
- (b) a total number of shifts that is not less than the equivalent of two shifts per week for each week that the service is open in the payment period; or
- (c) a total number of hours of work not less than the equivalent of twelve (12) hours for each week that the service is open in the payment period.

During the payment period, where the provider is an OSHC and / or a vacation care service, each part-time permanent covered employee must be offered whichever is the greater of:

- (a) a total number of hours in a fortnight that is equal to the hours worked by that employee during the employee guarantee fortnight¹; or
- (b) a total number of shifts that is not less than the equivalent of two shifts per week for each week that the service is open in the payment period; or
- (c) a total number of hours of work not less than the equivalent of five (5) hours for each week that the service is open in the payment period.

For long-term casual employees

During the payment period, where the provider is a CBDC service, an FDC or IHC service, each long-term casual employee must be offered whichever is the greater of:

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- (a) a total number of shifts that is not less than the equivalent of two shifts per week for each week that the service is open in the payment period; or
 - (b) a total number of hours of work not less than the equivalent of twelve (12) hours for each week that the service is open in the payment period.

During the payment period, where the provider is an OSHC care service and / or a vacation care service, each long-term casual employee must be offered whichever is the greater of:

- (a) a total number of shifts that is not less than the equivalent of two shifts per week for each week that the service is open in the payment period; or
- (b) a total number of hours of work not less than the equivalent of five (5) hours for each week that the service is open in the payment period.

The summary above is included for convenience and does not override or affect the interpretation of the Grant Agreement.

A copy of the template Grant Agreement, including the conditions, can be found on the [Recovery Payment Guidelines](#)³ page of Department of Education, Skills and Employment website.

2.3. Eligible grant activities

An eligible grant activity is a provider operating a child care service in Victoria that complies with the Family Assistance Law.

2.4. National Redress Scheme for Institutional Child Sexual Abuse

2.4.1 If, prior to 30 June 2020, the Grantee was named in the Royal Commission into Institutional Responses to Child Sexual Abuse (Royal Commission) or in an application received by the National Redress Scheme for Institutional Child Sexual Abuse (Scheme) as an institution where child sexual abuse occurred or was alleged to have occurred, the Grantee must:

- (a) have provided a clear written statement to the Scheme setting out the Grantee's intention to join the Scheme on or before 30 June 2020; and
- (b) become a participating institution on or before 31 December 2020; and
- (c) not ceased to be a participating institution.

2.4.2 If paragraph 2.4.1 does not apply and the Grantee was or is named in an application received by the Scheme on or after 30 June 2020, as an institution where child sexual abuse occurred or was alleged to have occurred, the Grantee must:

³ www.dese.gov.au/document/recovery-payment-guidelines

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- (a) become a participating institution within 6 months after being contacted by the Scheme and requested to join; and
 - (b) not ceased to be a participating institution.

3. Who will approve the grant?

The First Assistant Secretary of the department's Early Learning Policy and Network Division (the decision maker) the Assistant Secretary ECCC COVID-19 Taskforce, the Assistant Secretary, Community and Indigenous Child Care Branch or the Assistant Secretary, Modelling, Data and Finance Branch, is authorised to make decisions in relation to administration of this grant opportunity. The decision maker will make the final decision to approve a grant.

The decision maker's decision is final in all matters, including the:

- approval of the grant
- grant funding amount to be awarded
- terms and conditions of the grant.

4. Notification of the grant

Eligible providers will be sent an offer with a funding amount as outlined in section 2 of these guidelines, with terms and conditions set out in the grant agreement. Providers can accept the offer by returning a signed agreement agreeing to the terms and conditions of the grant.

4.1. Offer and acceptance

For Recovery Payments, eligible providers will be sent an offer with a funding amount as outlined in section 2 of these guidelines, with terms and conditions set out in the grant agreement.

As well as the eligibility criteria in section 2 of these guidelines, each agreement has general terms and conditions that cannot be changed. We will use a schedule to outline the specific grant requirements.

The Commonwealth may recover grant funds if there is a breach of the grant agreement or if the providers or their services are found to have been ineligible. Giving false or misleading information is a serious offence.

4.2. Grant payment

Providers must enter into a legally binding grant agreement with the Australian Government. The department will use a simple grant agreement, which must be executed before the payments are made.

The amount of the grant will be determined in accordance with [Schedule A](#) of these guidelines. The grant agreement will provide an estimate of the maximum grant amount to be paid.



Providers can accept the offer by returning the signed agreement agreeing to the terms and conditions of the grant. Offers will lapse on 13 November 2020.

A Recovery Payment for a correctly submitted offer will be paid on a fortnightly basis. Payment will be made in the next available pay run after the date of a correctly submitted offer, starting from the fortnight commencing 19 October 2020. The first payment will include an amount of back-payment:

- from 28 September 2020 for each eligible CBDC, FDC and IHC service;
- from 12 October for OSHC services outside metropolitan Melbourne; and
- from 19 October for OSHC services in metropolitan Melbourne.

Providers of OSHC services (including vacation care only) will be paid fortnightly in arrears for the period from 21 December 2020 to 31 January 2021 for eligible weeks of care provided during the period once session reports are submitted and assessed. The department will use reports about sessions of care under section 204B of the A New Tax System (Family Assistance) (Administration) Act 1999 to determine whether OSHC services are open and operating during the period from 21 December 2020 to 31 January 2021 prior to deeming services eligible for payment. Payments to eligible services will occur fortnightly from week commencing 11 January 2021.

Recovery Payments will be paid into the bank account currently nominated for a service in the Child Care Subsidy System (CCSS), which has been used to pay the Relief and Recovery Payments. Providers should ensure that their bank account details in the CCSS are up to date.

While the Commonwealth will endeavour to make payments in accordance with the schedule described above, it gives no warranty that payments will occur on time.

Payment adjustments

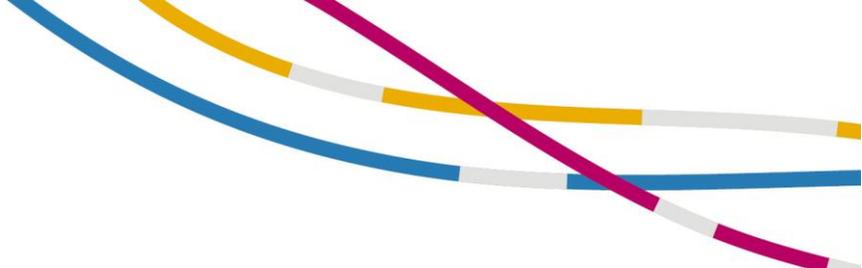
Providers should also note that individual payments made in accordance with these Guidelines and their grant agreement may be adjusted during the period of the agreement to ensure that the total Grant Amount paid to the provider over the life of the agreement is correct.

Thus, for example, an overpayment of a particular week's Recovery Payment will result in an equivalent reduction in a subsequent week's Recovery Payment payable to the provider. Equally, where a particular payment is lower than it should have been, an adjustment will be made to a subsequent payment to make up the shortfall.

5. Announcement of the grant

Grants for Victorian Recovery Payments will be listed on the [GrantConnect](#)⁴ website in accordance with the Commonwealth Grants Rules and Guidelines 2017.

⁴ www.grants.gov.au

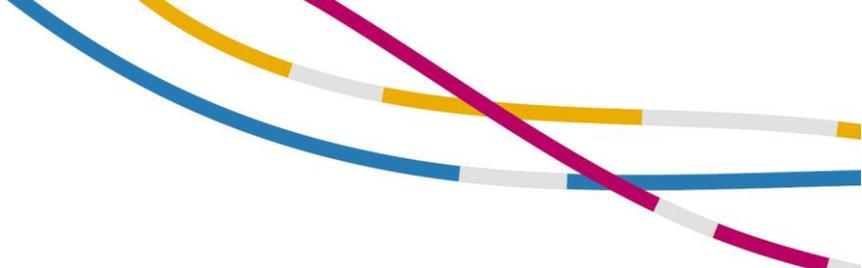


6. Grant evaluation

The department may evaluate this grant to measure how well the outcomes and objectives have been achieved. The grant agreement requires providers to make available information to assist with the evaluation, if asked by representatives of the department.

7. Variation of Grant Guidelines

The department may change these Guidelines at any time. The grant agreement will provide for when the amendments to the Guidelines apply to existing grant agreements.



Schedule A - Calculation of Victorian Recovery Payments

1 Amount of Grant

- (1) Over the period of the grant agreement, an approved provider will receive a total grant amount calculated in accordance with this Schedule. The Grant amount for an approved provider is equal to the sum of weekly Victorian Recovery Payments ('Recovery Payments') under clause 2 less any amounts set off under clause 5.

2 Amount of weekly Recovery Payment

- (1) A Recovery Payment for an approved provider for a week in the **payment period** is equal to the sum of the amounts worked out in accordance with clause 3 in this Schedule in relation to each approved child care service in relation to which the provider is approved at the beginning of that week.
- (2) There may be a lag between changes in a provider's approval status for a service, and those changes being reflected in grant calculations. This lag may result in a provider continuing to receive a Recovery Payment for a particular service after the provider ceased to be approved for that service, or not receiving a payment for a service that the provider became approved for. There will be no adjustment to the Recovery Payment to account for these circumstances.

Example: A service is transferred from one provider (the former provider) to another provider (the receiving provider) and, for a period after the transfer, the former provider continues to receive payments for that service and the receiving provider does not. There is no adjustment to either the former provider's grant (to account for the incorrect inclusion of the service in the grant calculation) or the receiving provider's grant (to account for the incorrect omission of the service from the grant calculation).

- (3) **Payment period** is the period determined in accordance with the table in clause 3.

3 Amount of weekly payments in relation to an approved child care service

- (1) The weekly amount in relation to an approved child care service is the **reference amount** multiplied by the **recovery payment percentage**.
- (2) The **recovery payment percentage** is the percentage determined in accordance with the following table, subject to subclause 3(3).

Type of Service	Recovery payment percentage	Payment Period Start of Payment period	Payment Period End of payment period
Centre Based Day Care (CBDC)	25%	28 September 2020	31 January 2021
Family Day Care (FDC)			
In-Home Care (IHC) services	40%	12 October 2020	21 December 2020
OSHC service outside metropolitan Melbourne			
OSHC services in metropolitan Melbourne			
OSHC services (including vacation care only) providing vacation care	40%	21 December 2020	31 January 2021

- (3) The **recovery payment percentage** in relation to a service is 0% if:
- (a) the service is closed for a reason other than because a relevant Commonwealth, state or territory government authority or health agency has advised or required the service to close because of the COVID-19 pandemic or natural disaster; 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 Reference fortnight amount and reference fortnight for a service

- (1) **The reference amount** for a 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) In these Guidelines:
- (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 Victoria; or

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- (ii) in relation to any other kind of service—the fortnight starting 17 February 2020; or
 - (iii) a reference period agreed with the department during the period of the ECEC Relief Package or Transition Package; or
 - (iv) for new services, the first full two weeks of CCS approved care.
- (b) the **reference hourly fee** for a session of care is 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 *A New Tax System (Family Assistance) Act 1999*.

- (3) However, 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.

5 Commonwealth’s right to set- off

The Commonwealth may recover payments under the ECEC Relief Package or the Transition Package that were made in error (for example overpayments and payments where there were no entitlements) (‘debts’) by setting off the debts against one or more Victorian Recovery Payments and the grant amount shall be reduced by the amount of the set off.

Note: See section 4 of the Guidelines for adjustments of Victorian Recovery Payments