

MEMBER BRIEFING NOTE

COVID-19 Child Care Subsidy changes and impacts on relevant employees



DATE: APRIL 2020

PURPOSE

This briefing note summarises the Australian Government's announcement on changes to the Child Care Subsidy from COVID-19, and highlights the impact of these changes on relevant employees at member firms.

BACKGROUND

The global spread of COVID-19 (or referred to as Coronavirus) was confirmed as a pandemic by the World Health Organization in mid-March 2020, after a 13-fold global increase in the two-week period prior.

The Australian and state/territory governments have iteratively implemented a range of measures to slow the spread within the country. This includes a range of closures of certain non-essential services, travel restrictions, self-isolation requirements, restrictions on certain types of mass gatherings, and providing instructions and/or advice to the public and employers on how they can minimise risks.

These health measures were impacting the viability of the child care sector. These viability impacts were creating economic concerns about the ability for employees to utilise these services and to remain in employment.

Details on normal arrangements with the Child Care Subsidy is available in Consult Australia's practice note on the topic released in July 2019 ([here](#)), and on the Department of Education's website ([here](#)).

CHANGES TO THE CHILD CARE SUBSIDY

- From Monday 6 April 2020, all additional child care payments related to parents eligible and receiving the Child Care Subsidy (i.e. the 'gap fee' between the subsidy entitlement for parents and the total child care costs) will be covered by the Australian Government.
- Child care providers will instead receive this gap fee payment on a weekly basis from the Australian Government as a top up to their existing subsidy entitlements.
- The Australian Government has advised this is a temporary measure until the end of the 2019-20 financial year (a three-month timeframe).
- This measure is designed to ensure child care centres remain open during COVID-19, which will enable previous child care arrangements for employees at member firms to continue if required, such as in circumstances where an on-site or office visit is necessary or if these services support working at home arrangements.
- The Federal Department of Education has also updated its advice to child care providers in regards to these new arrangements, supporting children during COVID-19, handling absences from child care, and responsibilities on child care providers during the pandemic ([here](#)).

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RESOURCES

- Federal Department of Education, Skills and Employment – [COVID-19 update on childcare](#) (2 April 2020)
- Prime Minister and Federal Education – [Early childhood education and care relief package media release](#) (2 April 2020)

CONTACT US

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