

COVID-19 free preschool funding program for community and mobile preschools - 2021 program guidelines

This page describes the objectives, process, funding conditions and spending rules for the COVID-19 free preschool funding program for community and mobile preschools during 2021.

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Note: Guidelines may change as implementation arrangements are updated. Please check this page to ensure you have the most up to date version. Guidelines current as at 10 December 2020.

Program overview

COVID-19 is impacting preschools operating in NSW, including enrolments. As a result, the temporary COVID-19 free preschool funding program has been extended throughout 2021 to continue to support families with cost of living pressures and to support the ongoing provision of 600 hours of early childhood education in the year before school.

Funding will be provided as a top up payment to replace a high proportion of estimated fee income. In turn, services are required to provide at least 15 hours of fee-free preschool per week for families. Start Strong funding for community preschools and mobile preschool contract funding is provided in addition to any funding under this program. Payments received under the Australian Government's JobKeeper program will be taken into account before any additional funding support is provided under this program.

Service eligibility criteria

Start Strong funded community preschools and mobile preschools on contracts are eligible to opt in to receive funding under this program.

Eligible providers must complete an opt in for the 2021 program, regardless of whether they have opted in to the program in 2020. Providers who did not opt in to the program in 2020 are able to opt in to the program in 2021.

Funding available

The COVID-19 free preschool funding program is a temporary funding program designed to replace a high proportion of estimated fee income so that free preschool can be offered.

Preschools set their own fees, and as a result, fees vary widely.

It is important to ensure that funding is provided equitably, and is focused on those families and communities most in need.

The amount of funding provided to each service will be based on the characteristics of the service and the children attending the service.

Services in lower socioeconomic areas (SEIFA bands 1-8) will receive 100% of the calculated fee income per term for 2021.

One hundred per cent of the calculated fee income will also be provided for all equity children, that is, regardless of the socioeconomic profile of the area (all SEIFA bands).

For services in higher socioeconomic areas (SEIFA bands 9-18), a minimum of 80% of calculated fee income will be provided to services.

In circumstances in which enrolments have declined (as per the August 2020 census), services will not receive less funding per term in 2021 than they did per term in 2020.

Funding is provided for children eligible for funding under the Start Strong guidelines for community preschools. Eligible children are those who are at least 3 years old on or before 31 July in that preschool year and not in compulsory schooling and are attending an early childhood education program.

As was the case in 2020, to prevent duplication of funding, final payments to services will also take into account any payments the service may be receiving from the Australian Government's JobKeeper Payment scheme.

Interaction with the Australian Government's JobKeeper program

Services eligible for JobKeeper must enrol in JobKeeper in the first instance.

It is important that you work through the JobKeeper program information to ascertain if your service is eligible to receive these payments. The enrolment process for JobKeeper is available on the [ATO website](#).

For those services receiving JobKeeper payments, if the JobKeeper payments received from the Australian Government are greater than the amount of maximum funding the service is eligible to receive through this additional State funding, the service will not be eligible for additional funding.

If the JobKeeper payment is providing less than the service would have been eligible to receive through this State funding, the service can receive a top-up amount up to the maximum amount.

As a result, funding support may be provided through a combination of JobKeeper and/or the COVID-19 Free Preschool funding program.

The following table shows the impact on funding for two services that receive \$85,000 in JobKeeper payment:

	Service A	Service B
Maximum additional payment	\$100,000	\$80,000
Less JobKeeper payment	-\$85,000	-\$85,000
Final State funding	\$15,000	\$0

Service B did not receive any top-up funding as their JobKeeper payment was greater than their fee income.

Opt-in process

A simple opt in enrolment process is available through [SmartyGrants](#).

Approved Providers who have opted in to the program during 2020 will need to opt in for the program in 2021. Services that did not opt in to the program in 2020 are able to opt in to the program in 2021.

Services are able to opt out of the program by completing the relevant opt out process through [SmartyGrants](#). The opt out must apply to a full term, and should be completed prior to payment for that term being progressed. Providers cannot opt in or out for part of a term.

Approved Providers eligible for the JobKeeper Payment Scheme during term 1 (January to March 2021) will need to complete a payment confirmation form through SmartyGrants. The confirmation process allows services to outline the amount of JobKeeper payments being received for each service for the relevant period. This supports the calculation of payments. The timing of payments may be impacted based on the timing of information received from Providers.

There is currently no closing date for submission of the opt in form for 2021. Services will be advised via email of any opt in closure date. Please also regularly check these program guidelines for updates.

Funding conditions

Services must comply with the following conditions:

- Enrol in the JobKeeper program in the first instance if eligible.

Remain open and available (unless on public health advice).

Provide at least 15 hours of free preschool to families per week.

Retain staff where possible.

Prioritise access for children of essential workers, vulnerable and disadvantaged children and existing enrolments.

Provide suitable outreach (or distance education) to children who are enrolled but not physically attending.

The program requires at least 15 hours of free preschool per week as this is consistent with the Start Strong program and is commonly used as the benchmark in the sector. Free preschool should still be offered to any eligible children where their enrolment is less than 15 hours a week.

Preschools can provide more than 15 hours for free if they choose (for example if current children are enrolled more than 15 hours, they wish to continue this pattern and the service has sufficient funding to do this). Services may charge a fee for any hours of enrolment above 15 hours if they consider this necessary based on the context of their service.

Any child currently enrolled for up to 15 hours per week in terms 1 to 4 2021 is eligible to receive free preschool for that enrolment.

Fundraising activities, levies (where they have historically been charged only) and donations are permitted provided they are undertaken on a voluntary or optional basis.

The department is not prescribing how services provide outreach, but examples of how this can be done are on [Maintaining your connections](#).

Payments

Payments will commence to eligible community preschool and mobile preschool services from January 2021. Four payment rounds will be made throughout the year in line with the commencement of each term.

Adjustments to funding may be made where the circumstances of services change, for instance where there is an adjustment to JobKeeper payments during this period. Information will be collected from services where they are eligible for the JobKeeper payment scheme. The department will provide details of the confirmation process directly to these services.

Spending rules

The activities funded under this program must commence during the 2020/21 financial year for term 1 and term 2 2021 payments, and 2021/22 financial year for term 3 and term 4 2021 payments. All funds must be expended by 31 December 2021.

Services in receipt of this funding are required to use it for the operational costs of the preschool that prioritise:

- free preschool, providing fee relief for families
- staff wages to enable retention of the workforce.

Funding agreement, acquittal and audit

Services must have accepted the Early Childhood Education Grants Programs Terms and Conditions:

2020/2021 for term 1 and term 2 2021 payments

2021/2022 for term 3 and term 4 2021 payments

Acquittal of funds will be required following the completion of the 2021 calendar year for term 1 to 4 2021 payments.

Funding compliance reviews associated with this program will be undertaken. Providers are required to keep relevant records and make these available to the department or their authorised representatives as requested.

Contact details

To speak to someone about this funding program, please contact the department's Early Childhood Education Directorate by:

calling 1300 755 426

emailing ecec.funding@det.nsw.edu.au

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