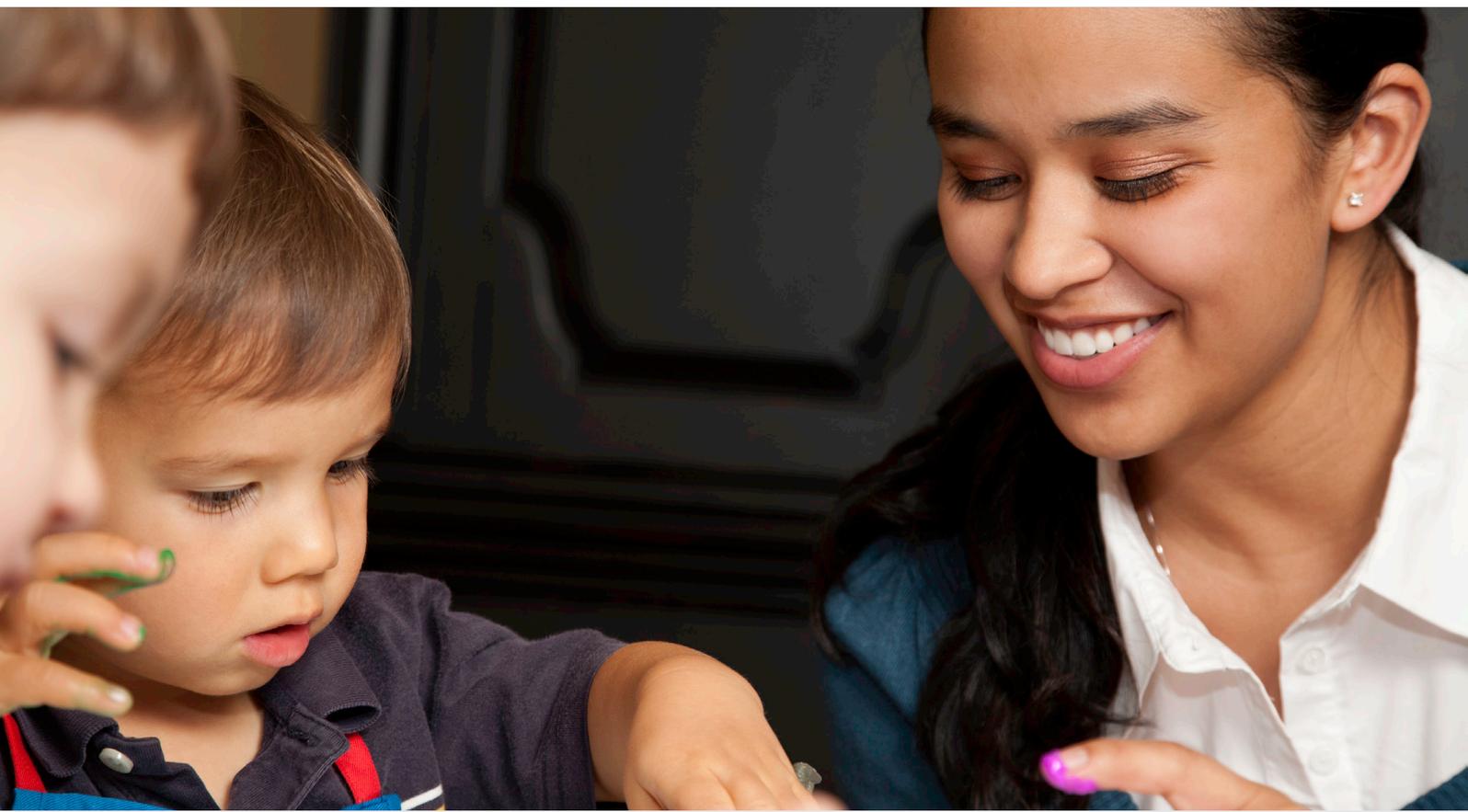


# How does the Australian Government monitor compliance with the Family Assistance Law?



## Checking compliance for Family Day Care services

Approved Family Day Care services administer child care fee assistance on behalf of families under the Family Assistance Law.

The Australian Government Department of Education and Training has a child care payments compliance program to monitor compliance with the Family Assistance Law by Family Day Care services.

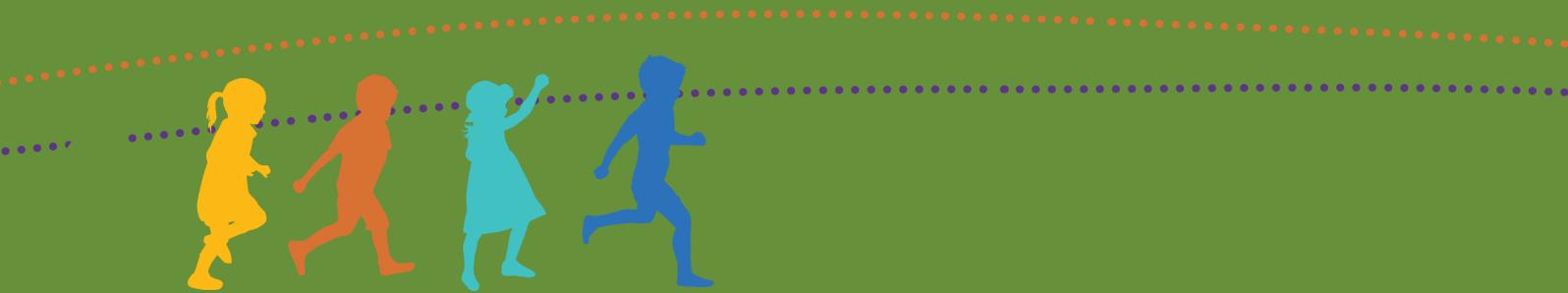
The penalties resulting from non-compliance can be severe.

The compliance program seeks to:

- protect the integrity of child care fee assistance paid by the Australian Government to support families accessing quality child care in approved child care services
- promote behaviour by approved child care services which is compliant with the Family Assistance Law through education and regular updates
- protect the integrity and reputation of the Family Day Care sector.



family  
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EDUCATION & SUPPORT PROJECT



# How does the Department of Education and Training monitor compliance?

The Australian Government has several ways to monitor compliance with the Family Assistance Law in Family Day Care services.

## 1 Tip-offs

The Australian Government Department of Education and Training has a dedicated email address ([tipoffline@education.gov.au](mailto:tipoffline@education.gov.au)) and telephone line (**1800 664 231**) available for people who believe they have information about non-compliant or fraudulent activities by Family Day Care services or educators. You can provide this information anonymously. These tip-offs are investigated by the Department.

## 2 Random Sample Parent Checks

Families are randomly selected to confirm that the child care received matches the child care data submitted by Family Day Care services. The Department also takes this opportunity to educate families on both their responsibilities and their service's obligations to ensure child care fee assistance is administered correctly.



## CASE STUDY

### Incorrect reporting picked up by Random Sample Parent Checks

A parent was contacted by the Australian Government Department of Education and Training for a Random Sample Parent Check. The Department asked the parent about how much time their children spent in a particular Family Day Care service. The parent explained that they cared for their children full-time, except for the eldest child who was at school. They advised that a friend suggested they become an educator at the same Family Day Care service where they worked, and helped them fill out paperwork. Ultimately, the parent decided against becoming an educator. The Department advised that data had been submitted by a Family Day Care service, showing that the family had used that service for care.

It appeared that the information provided by the parent to their friend was used by the Family Day Care service to claim Child Care Benefit and Child Care Rebate.

### *Consequences*

The Family Day Care service was investigated by the Department and found to have falsely submitted data. All data submitted for other families was also investigated and other non-compliance was detected. The case against the educator was referred to the Australian Federal Police for investigation and the service was cancelled.

### 3 Data matching and working with other agencies

The Department shares data and works closely with key Government agencies such as the Australian Federal Police, Australian Taxation Office, Department of Human Services, Department of Immigration and Border Protection, and state and territory regulatory authorities. This ensures approved Family Day Care services are correctly applying the rules under all relevant laws and assists to identify fraud across agencies.

#### CASE STUDY

##### Claiming for hours providing Family Day Care while overseas

A Family Day Care educator went overseas to visit her family. While she was away, she continued to claim as if she was providing child care, even though she was out of the country.

The Department of Immigration and Border Protection shares data with other agencies, showing when the educator departed and arrived back in Australia. This evidence, along with Child Care Management System data which confirmed care had been claimed for, was given to the Australian Federal Police.

##### *Consequences*

The service, which is responsible for ensuring submitted data is correct, was sanctioned and Child Care Benefit approval was cancelled. The service closed down. The educator was investigated and convicted of fraud.

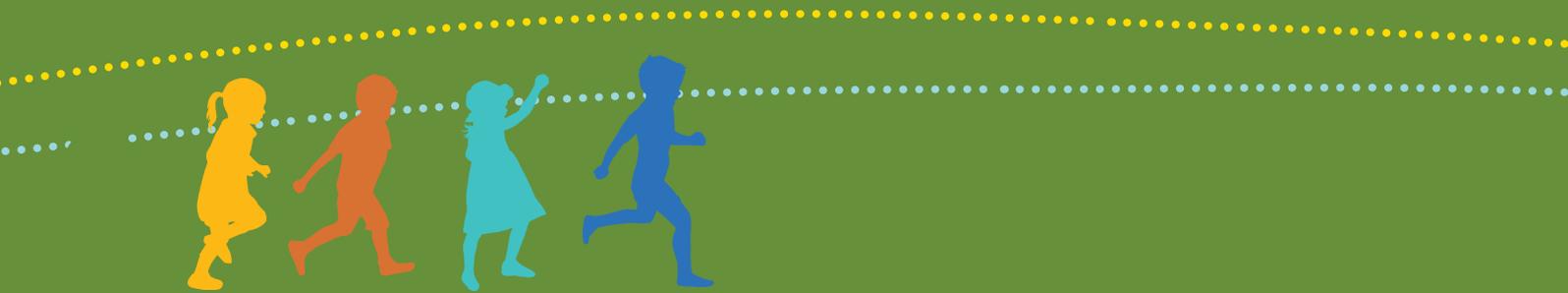
### 4 Targeted call campaigns

Targeted call campaigns are where the Department contacts families registered at a Family Day Care service identified as being at high risk of non-compliance. Families are asked to confirm their child care arrangements, which are then compared to child care data submitted by the Family Day Care service.

### 5 Targeted compliance investigations

Using sophisticated data analytics, the Department conducts targeted compliance investigations on Family Day Care services identified as being at high risk of non-compliance. Compliance officers undertake surveillance and spot checks sometimes accompanied by the Australian Federal Police, Department of Human Services and state and territory regulatory authorities.





## What are the consequences of non-compliance?

The aim of the compliance program is to provide assurance and confidence that the Government's investment in quality early childhood education and child care is being spent fairly, equitably and for its intended purpose. The compliance program focuses on public funds being spent properly and in an accountable manner.

Family Day Care services are responsible for the accuracy of claims made by educators.

Child Care Benefit approved child care services may be subject to penalties if they do not comply with the conditions for continued Child Care Benefit approval. Penalties include:

- the suspension and cancellation of Child Care Benefit approval which, in turn, may lead to recoveries of child care fee assistance through legal proceedings
- infringement notices
- in certain cases, non-compliance is also a criminal offence resulting in criminal investigation with significant penalties including fines and/or imprisonment, which may also affect immigration status if applicable.

Under the Family Assistance Law, the Department may also write directly to families to inform them of the effect on their child care fee assistance entitlement if their service is suspended or cancelled.

The Department may also publicise information regarding the sanction, suspension or cancellation of a service for non-compliance.

**Educators may also be held responsible for non-compliance.**

### CASE STUDY

#### Charging more than the usual fee

A Family Day Care service was investigated for breaching its obligation to charge no more than the usual fee for Grandparent Child Care Benefit (GCCB) and Special Child Care Benefit (SCCB).

#### *Consequences*

Compliance investigators found evidence that the service had increased its fees once families were eligible for GCCB or SCCB. The service was given 22 infringement notices relating to a sample of nine children over a one-month period and fined over \$550,000.

The Australian Government Department of Education and Training information on the Child Care Payments Compliance Program is at: [www.education.gov.au/eccc](http://www.education.gov.au/eccc)

### DISCLAIMER

This is a general guide to some (but not all) of the legal obligations of Family Day Care services approved for the purposes of the Family Assistance Law and is not a complete description of your legal obligations. This also does not cover all the legal obligations of approved Family Day Care services. You should consult the relevant legislation for full details of your legal obligations. You may also wish to obtain your own independent legal advice.

For more information go to:  
[www.fdcsupport.org.au](http://www.fdcsupport.org.au)



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