

The importance of compliance for Family Day Care services



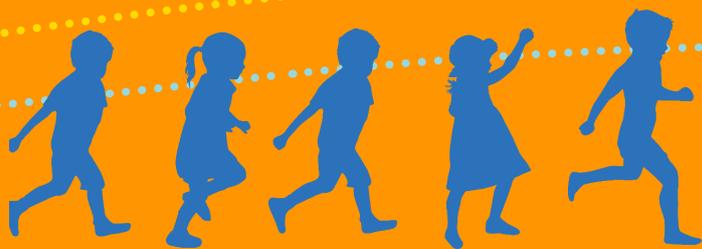
What is compliance for Family Day Care?

Family Day Care services have to comply with a variety of different laws and regulations, including those that govern child care payments – the payments your service administers from the Australian Government on behalf of families.

The Australian Government Department of Education and Training's Child Care Payments Compliance Program helps prevent, detect and deter compliance breaches by Family Day Care services.



family
day care services
EDUCATION & SUPPORT PROJECT



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Child care payments

Family Day Care services administer money from the Government on behalf of families. These include payments such as:

- Child Care Benefit (CCB)
- Child Care Rebate (CCR)
- Special Child Care Benefit (SCCB) and
- Jobs, Education and Training Child Care Fee Assistance (JETCCFA).

Why is compliance such an issue?

Because child care payments are made by the Government from funds collected from tax payers, the Government has as an obligation to ensure that services receiving the money are complying with the Family Assistance Law that outline who can receive these payments and what they can receive them for.

The Department of Education and Training is the Australian Government department with responsibility for ensuring that CCB approved services, such as Family Day Care services, that administer these payments on behalf of families, are doing the right thing.

While the Department knows that many child care services and educators are in the sector for the

right reasons and are providing high quality child care to Australian families, it is evident that some services are not. Unfortunately, these actions, called ‘non-compliance’, have increased in the Family Day Care sector.

Child Care Payments Compliance Program

Because some Family Day Care services are not complying with the laws surrounding child care payments, and because many services have been found to be engaging in fraudulent behaviour, the Government has created the Child Care Payments Compliance Program. The Program aims to do two things:

- 1 Make sure that the payments made by the Government to support families accessing quality child care are actually used for this, and are used in an honest way.
- 2 Promote behaviour by child care services which is compliant with the Family Assistance Law under which the payments are made.

The Child Care Payments Compliance Program does this in three ways:

- 1 **Prevention.** Stopping fraud before it happens, especially by educating child care services about what they should be doing and what will happen if they are found to be doing the wrong thing.
- 2 **Detection.** Identifying claims for funds such as CCB and CCR that are fraudulent, or wrongly claimed.
- 3 **Deterrence.** Discouraging services from doing the wrong thing, by ensuring there are consequences for those that have done the wrong thing.

What do Family Day Care services have to do to be compliant?

- To administer Government child care fee assistance, Family Day Care services and their educators must comply with the National Law and Regulations and the Family Assistance Law.

The new rules for Family Day Care services

Over the last few years, the Government has introduced new rules for Family Day Care services to address non-compliance in the sector. These new laws were introduced to ensure that Family Day Care services do not claim for child care subsidies fraudulently.

RULE 1: CHILD SWAPPING

A number of laws have come in to stop the practice of 'child swapping' – where a Family Day Care educator receives child care subsidies for their child or children for care provided by another educator on the same day they themselves provide Family Day Care, except in specialised circumstances such as where the child has a disability or lives in remote circumstances.

- See more at: www.education.gov.au/compliance

RULE 2: NO CHILD CARE SUBSIDIES

Family Day Care services can no longer receive child care subsidies for: care without a genuine liability to pay fees; care that is predominantly transport; Family Day Care provided in a child's own home; or, where the parent is present and Family Day Care is provided by a parent or sibling.

- See more at: www.education.gov.au/compliance

RULE 3: NEW NOTIFIABLE EVENTS

There is a new requirement for Family Day Care services to notify the Department of Education and Training when they become aware that key personnel, a staff member or an educator has been charged with or found guilty of a serious indictable offence, become bankrupt or has their working with children check refused, amended or cancelled.

- See more at: www.education.gov.au/compliance

RULE 4: SUITABILITY CRITERIA

New suitability criteria applies to relevant people, including applicants for service approval, approved services and particular individuals associated with them.

- See more at: www.education.gov.au/compliance

RULE 5: OLDER CHILDREN

Family Day Care Services can no longer receive child care subsidies on behalf of families for children who are at secondary school or 14 years or over, unless specific circumstances exist. These circumstances include where the child has a disability, they live in a remote or very remote area or where the child is under 16 and the parents have to work. The specified circumstances only exist if the child cannot reasonably be left alone and there is no other adult to look after them. The service must have documentary evidence of the circumstance.

- See more at: www.education.gov.au/compliance or www.fdcsupport.org.au

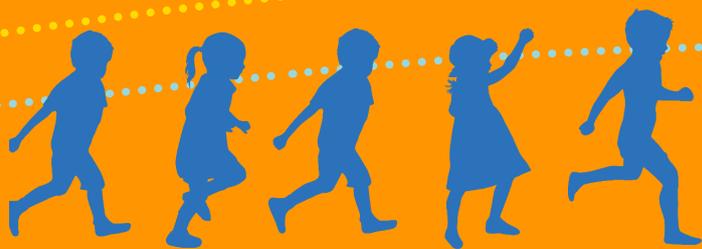
RULE 6: MAXIMUM HOURLY AMOUNT

There is now a maximum hourly amount of Special Child Care Benefit and Grandparent Child Care Benefit that can be reported in Family Day Care. The maximum amount of \$12.84 per hour can only be reported where the amount represents a genuine liability. A Family Day Care service that genuinely charges fees above the maximum hourly amount can make an application to the Department of Education and Training for a higher amount.

- See more at www.education.gov.au/compliance or www.fdcsupport.org.au

Why were these changes made?

The Government is concerned about serious non-compliance and potential fraud by some Family Day Care services. It has taken a range of actions to address non-compliance, including the six measures above.



Do you know about non-compliant practices?

Anyone who is aware of practices that could be incorrect, illegal or non-compliant with the Family Assistance Law can contact the Australian Government Department of Education and Training by phone: **1800 664 231** or by email: tipoffline@education.gov.au – you can provide information anonymously.

Want to find out more?

- **FAMILY DAY CARE SUPPORT PROJECT**

The Family Day Care Services Support Project has a range of resources to support Family Day Care services in compliance with Family Assistance legislation:

www.fdcsupport.org.au

- **THE NEW RULES**

Read more about the new rules for Family Day Care:

www.education.gov.au/compliance

- **KEY OBLIGATIONS AND EXPECTATIONS**

You can read about key obligations and expectations of Family Day Care services, in English, and a range of African and Arabic languages here:

www.education.gov.au/compliance

- **THE CHILD CARE HANDBOOK**

The Child Care Service Handbook provides guidance and assistance to Child Care Benefit (CCB) approved child care services (including Family Day Care) operating under the Child Care Management System (CCMS):

www.education.gov.au/child-care-service-handbook-0



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For more information go to:
www.fdcsupport.org.au

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.

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