

## Fee Policy

### Introduction and Purpose

The Approved Service aims to provide a quality childcare service to families eligible to attend under the Australian Government Priority of Access Guidelines.

Clients have the right to be informed about the fees and conditions applicable to their childcare arrangement and the Approved Service and Educators have the right to be paid promptly for the childcare service that they provide.

### Procedure

#### **Charging of Fees - General**

- Individual Educator fee schedules must comply with all relevant legislation including, but not limited to, Family Assistance Law. The Approved Service sets fees by working collaboratively with Educators to establish individual fee schedules considering a variety of differences between services including but not limited to location, quality, qualification, experience, client demand, hours of operation, type of service provided, etc.
- Fee terms and conditions are as outlined in the service wide fee schedule (e.g. fees in advance).
- Fees charged are based on each Educator's individual fee schedule; the type of care provided; the number of hours of care; the times that care is provided and the age of the child.
- An hourly administration levy (referred to as Admin Levy) is charged by the Approved Service. The Admin Levy may increase at the Approved Providers discretion. Admin Levy funds the operations of the Approved Service.
- Eligible families can claim Government Subsidies which may be, but not limited to, Child Care Subsidy (CCS), Additional Child Care Subsidy (ACCS) and any other relevant funding. The Approved Service is authorised to administer these payments on behalf of families.
- Subsidies will be paid directly to the Approved Service to reduce 'out-of-pocket' expenses for eligible families.
- Educator fee changes should occur no more than twice a year. Changes in fees should only be implemented at the beginning of the new financial year and/or at the beginning of the calendar year.
- Twenty (20) business days written notice before variation of fee schedules will be given to clients.
- The Approved Service or the Educator can only provide a fee estimate until the attendance record is processed by Child Care Subsidy system (DESE).

#### **Public Holidays**

- Fees are payable for public holidays if the Educators service is operating in full (see booking section) on the day immediately prior to OR after the public holiday in the week that the public holiday occurs.
- No fee is payable for public holidays if the Educators service is not operating in full (see booking section) on the day immediately prior to OR after the public holiday in the week that the public holiday occurs.
- Public Holidays are counted as 'absences' for the purpose of Government subsidies. Once the allowable absences are reached, in each financial year, Government subsidies will no longer apply to any further Public Holidays. Full fee is payable if the child is absent, but would normally attend on that day, provided that the Educators service is operating on the day immediately prior to OR after the public holiday in the week that the public holiday occurs.

#### **Fee Schedule**

- Upon commencement with the Approved Service, Educators will receive training on the administration, calculation, legislative requirements and record keeping relating to fees and charges.
- Educators will provide a copy of their fee schedule to clients and should discuss the following, but not limited to, hourly rates, payment made in advance, extra charges, agreed payment day and preferred payment method.

#### **Booking**

- The booking is between the Educator, upon behalf of the Approved Service, and the client outlining the agreed hours of care to be provided by the Educator and the agreed financial liability of the client.

- Permanent position bookings (i.e. bookings that satisfy minimum hours of commitment as specified in the Fee Schedule) dedicate the care position to the client whom has the booking. Other types of care (e.g. casual) are subject to availability.
- For permanent changes to the days/hours of care clients agree to provide ten (10) business days' written notice.
- Parents/Guardians are required to sign/PIN all permanent changes to bookings, which indicates their agreement to the terms and conditions as outlined in policy, fee schedule, Complying Written Arrangement (CWA) or other applicable Arrangement type (e.g. Third Party).
- Educators must submit to the Approved Service, a valid booking change request for all booking changes.
- Fees can not be charged when the complete booking can not be accommodated by the Educator (e.g. if the service closes early and no care had been delivered on the closure day), unless the parent utilises the reduced hours of care. Then the number of used hours will be charged.

### **Child Care Subsidy (CCS) Enrolment and Complying Written Arrangement (CWA)**

- Parents/Guardians are to Confirm/Approve/Action the CCS Enrolment via their MyGov Account. Failure to do so will result in full fees being payable (i.e. without CCS applied). Contact the Approved Service for any enquiries.
- Parents/Guardians/Third Party are required to Approve/Accept/Agree each CWA, or other arrangement type, as provided by the Approved Service, by actioning the approval request online (typically online via email). In the absence of this, clients engaging in and attending care will be deemed as accepting/approving/agreeing to the CWA, or other arrangement type.

### **Absences**

- When a child is booked to attend and is absent from care, fees are payable. These absences count towards each child's absence entitlement, as defined by DESE (CCS system), for those receiving Government subsidies.
- From 13 July 2020, families may receive CCS for absences up to seven (7) days before a child's first, and after a child's last physical attendance at a service, where they have been booked in for care, subject to CCS (DESE) terms and conditions.

### **Receipts**

- Receipts will be issued to clients by the Educator on behalf of the Approved Service, via the Third-Party software system (Harmony), for all monies received at the time of payment. Receipts must contain all the information required under legislation. Receipts will also be provided for any fee adjustments.
- Receipts are to be kept by the Educator for a period of three years. Upon cessations of the Educators service, the Educator must supply all receipts for the previous three years to the Approved Service.
- The Approved Service may request a copy of receipts at any time.

### **Client Payments**

- Educators are authorised to act as an agent and collect fees directly from clients on behalf of the Approved Service.
- Educators must be paid promptly as per the booking, client agreement and/or Complying Written Arrangement (CWA) or other applicable Arrangement type, otherwise a late payment penalty can be charged.
- The Educator will be provided with a Payment Advice after completion of the attendance record process.
- Educators must ensure that they check the payment advice received from the Approved Service promptly, to ensure that client payments are correct and to make any necessary payment adjustments. Adjustments must still be made with clients even after they have terminated care. If a client cannot be reached to supply a refund, the Educator must return the refund to the Approved Service.
- In the event of incorrect or over payment of Government funds to an Educator, the Educator is liable to refund these payments.
- The client will be provided with a Statement of Entitlement after completion of the attendance record process. The client may also be provided with a Parent/Guardian Advice at the discretion of the Approved Service.

- Disputes between clients and Educator with regards to fees can be discussed with the Approved Service. It is hoped that all disputes can be resolved to the mutual satisfaction of both parties. It may be necessary for the situation to be escalated to the representative of the Approved Provider.
- Families experiencing difficulties paying fees must contact the Approved Service immediately.
- Failure to pay fees may result in the immediate termination of services.
- A transfer to another Educator cannot commence until all outstanding fees are paid to the previous Educator.

### Relief Care

- If the Educators service is closed, children who are booked to attend care, will be offered care with an alternative Educator (subject to availability). This is referred to as relief care.
- When relief care is booked, fees will be charged in accordance with the fee schedule of the Educator providing the relief care. As per the fee schedule, payment is required for all booked days of relief care regardless of absence.
- Relief Care terms and conditions are as outlined on the fee schedule.

### Early Arrival and/or Late Pick Up Fee

- Once the days/hours of childcare have been agreed, every effort should be made to adhere to these timings for the mutual consideration of all stakeholders. Clients whom bring their child/ren to care before the agreed start time or after the agreed end time should expect to pay an additional fee. This may be an 'Early Arrival and/or Late Pick Up Fee' as determined within the Fee Schedule. Clients can make prior arrangement with the Educator, in atypical situations, to extend the hours of care and avoid attracting an additional fee. In this instance the typical fee rate is applied.
- If additional hours are required, on an ongoing basis, then the booking should be renegotiated between the client and Educator, and a booking change request signed/PIN'd.

### Termination of Care

- Ten (10) business days written notice is required to terminate care with an Educator OR alternatively one week's full fees, not attracting Government subsidies, in lieu of notice can be given (refer to fee schedule).
- Written notice, for termination of care, can be provided to the Educator or the Approved Service. The notice period begins on the date the written notice is given.
- If notice is provided to the Approved Service, this information will be communicated to the Educator in a timely manner. If notice is provided to the Educator, they will inform the Approved Service of the termination date.
- Clients must ensure that all outstanding fees are paid to the Educator.
- The Educator must ensure that any remaining credit is refunded to the client and provide a receipt.
- Written notice, for termination of care, can be provided while the Educator is on leave subject to the above conditions.
- Upon termination of care, the Educator is to complete the Exited Children's form and provide it to the Approved Service.
- Clients are advised that for CCS to apply, a child cannot be absent more than seven (7) days after the last physical attendance at a service, subject to CCS (DESE) terms and conditions. When CCS (DESE) terms and conditions are contravened full fees, not attracting Government subsidies, are payable for the complete period of absence leading up to the last date of booked care.

### Late Payment Fees

- The Educator can charge for Late Payment of Fees for each day the payment is late (see Fee Schedule).
- Late Payment Fees are ineligible for subsidy.
- Clients are encouraged to discuss any financial issues with the Educator or contact the Approved Service.

### Recovery of Bad Debts

Educators are self-employed contractors and are thus responsible for recovering any outstanding fees. The following steps may assist recover of monies owed.

- Educators should obtain payment from the client as detailed on the fee schedule (i.e. in advance).
- If payment is not made according to the booking, a late payment fee may be charged. Educators should not allow unpaid fees to rise to a level where debt recovery may become difficult.
- Educators experiencing difficulties recovering payments should contact the Approved Service.
- A letter may be sent, by the Approved Service, to the client to assist the reestablishment of consistent payment as per the agreed booking.
- The client will be informed that non-payment of fees, by a given date, may result in immediate termination of the booking. The client will not be given another position within the Approved Service until all outstanding debts are paid.
- Advice, about the Small Claims Division at the local court, will be provided to Educators if they determine to pursue the claim against the client for outstanding fees.

### **Alleged Fraud**

If the Approved Service suspects that an Educator and/or client is fraudulently obtaining Government subsidy payments by falsifying attendance records and/or payment records, or by any other means, the following procedure will apply:

1. The Approved Service will notify the Department of Education, Skills and Employment (CCS system).
2. The alleged fraud will be investigated, and due process will be followed in fairness to all parties.
3. The outcome of the investigation will be reported to the Department of Education, Skills and Employment and further compliance investigation will be invited.
4. If sufficient evidence of fraud is found, the Approved Provider may be advised to involve the Police.
5. The Police may investigate the allegation and advise the Approved Provider as necessary.
6. If the allegation is substantiated, the case will go to the NSW Director of Public Prosecution for consideration.

### **Legislative Context**

Family Assistance Law states that; *clients must be charged fees by the CCS approved service and not by the Educator in order to be eligible for Australian Government fee assistance.*

Therefore, the Approved Provider is responsible for setting a fee charging schedule and establishing fee charging policies. The Approved Provider is legally entitled to require all the Educators to comply with the service's fee charging schedule and policies, irrespective of the Educator being an independent contractor.

Child care fee assistance is not payable for:

- care where there is not a genuine liability to pay fees
- care that is predominantly transport
- care provided in the child's own home, or where the parent/guardian is present
- Family Day Care or In-Home Care provided by a parent/guardian or sibling
- Relatives of the Educator equal to 50% or more of the overall booked hours

### **Reference/Source**

Family Assistance Law

Australian Government – Services Australia (Centrelink)

Australian Government – Department of Education, Skills and Employment (DESE)

Family Assistance Law from 10 October 2016 – Fact Sheet

Child Care Provider Handbook - DESE

The Approved Service's Service Wide Fee Schedule

Education and Care Services National Law 2010

Education and Care Services National Regulations 2011 – part 4.7

National Quality Standard for Early Childhood Education and Care and School Age Care. Quality Area 7.