

## 6.02 FEES

### Purpose Statement

The purpose of this policy is to ensure all families and educators are aware of their rights and responsibilities regarding the payment and collection of Family Day Care fees.

### Scope

This policy applies to Family Day Care educators and families accessing education and care services.

### Definitions

*Early Start Kindergarten*: a funding program that enables three-year-old Aboriginal and Torres Strait Islander children, and children known to Child Protection to attend a kindergarten program that is planned and delivered by an early childhood teacher for a specific number of hours.

*Fees*: A charge for a place within a program at the Service.

*Health Care Card*: a commonwealth government entitlement providing concessions for low-income earners and other eligible people.

*Kindergarten Fee Subsidy (KFS)*: a state government subsidy paid directly to the funded service to enable eligible families to attend a funded kindergarten program or funded three-year-old place at no cost (or minimal cost) to promote participation.

*Department of Education and Training (DET)*: this state government department supports the development, health and wellbeing of babies and young children through services, legislation and care.

### Policy Statement

THAT ALL FAMILIES ACCESSING FAMILY DAY CARE ENTER INTO A CONTRACT WITH WINDERMERE OUTLINING THEIR RIGHTS AND RESPONSIBILITIES IN RELATION TO THE PAYMENT AND COLLECTION OF FEES. THIS CONTRACT WILL AIM TO ENSURE THAT ALL FAMILIES ARE TREATED WITH FAIRNESS AND EQUALITY.

### Procedures

#### General

1. All families are required to verify attendance records by signing children in and out of care on a daily basis on the electronic sign-in (ESI) system. The children's attendance and/or absence days are submitted to the Family Assistance Office for Child Care Subsidy (CCS) payments.
2. Where paper attendance records are being used, parents/guardians must ensure the information recorded is true and correct. A signature is regarded as verification of these legal documents.
3. The core hours of operation for Family Day Care are 8am to 6pm, Monday to Friday. All education and care provided between these hours is referred to as standard hours care. All education and care provided between 6pm and 8am on weekdays and all day on weekends is referred to as non-standard hours care.

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- DET states that all families are required to enter into an arrangement with the childcare provider. This is called a Complying Written Arrangement (CWA). A child cannot attend care until the CWA has been reviewed and approved through Hubworks. Parents/Guardians will be required to review and approve CWA's when changes are made to standard booked hours.

### Child Care Subsidies

- Child Care Subsidies (CCS) is a payment made directly to providers by the Commonwealth Government to be passed onto eligible families as a fee reduction to assist with the cost of quality early years education and care. Families will make a co-contribution to their childcare fees and pay to the provider the difference between the fee charged and the subsidy amount.
- To register for CCS you need to apply on your myGov account that is linked to Centrelink. Families are responsible for updating their information with the Family Assistance Office to ensure it is always current and correct, and for providing Windermere with all relevant information to claim Child Care Subsidies (CCS). Due to privacy law, Windermere cannot contact Centrelink on your behalf to discuss/update CCS status.

- Three factors determine a family's level of Child Care Subsidy. These are:

a. *Combined Family Income:*

Under the Child Care Subsidy, the percentage of subsidy a family is entitled to is based on their combined annual income, with more financial support available to lower income families.

Combined family income <sup>^</sup>	Child Care Subsidy rate*
Up to \$69,390	85%
Over \$69,390 to under \$174,390	Between 85% and 50% The percentage goes down by 1% for every \$3000 of income
\$174,390 to under \$253,680	50%
\$253,680 to under \$343,680	Between 50% and 20% The percentage goes down by 1% for every \$3000 of income
\$343,680 to under \$353,680	20%
\$353,680 or more	0%

Annual Cap: Families earning \$189,390 or less per year will not be subject to a cap on the amount of Child Care Subsidy they can access. Families earning over \$189,390 and under \$353,680 will have an annual cap, which will increase to \$10,560 per year per child.

b. *Activity Test – the activity level of both parents:*

The number of hours of subsidised childcare that families have access to per fortnight is determined by a three-step activity test. In two parent families both parents, unless exempt, must meet the activity test. In the case where both parents meet different steps of the activity test, the parent with the lowest entitlement determines the hours of subsidised care for the child.

Step	Hours of activity*	Maximum number of hours of subsidy per child*
1	8 hours to 16 hours	36 hours
2	More than 16 hours to 48 hours	72 hours

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Step	Hours of activity*	Maximum number of hours of subsidy per child*
3	More than 48 hours	100 hours

\* **Per fortnight**

Recognised activities – A broad range of activities meet the activity test requirements, including:

- paid work, including being self-employed or on leave (including paid or unpaid parental leave)
- doing unpaid work in the family business
- training courses for the purpose of improving the individual's work skills or employment prospects
- an approved course of education or study
- volunteering
- unpaid work experience or internships
- actively setting up a business
- actively looking for work.

c. *Service Type – type of child care service:*

The maximum hourly rate the Government will subsidise is based on the type of childcare service.

Service Type	Maximum hourly rate cap
Family Day Care	\$11.30 <sup>^</sup>

<sup>^</sup> These amounts are correct for 2020/21 and may be subject to adjustment through indexation in subsequent years.

### **Fees and Charges**

1. Windermere, in collaboration with educators, review and set educator payments, fees and charges on a minimum annual basis. Educators are provided with an opportunity to negotiate their payment rate. Windermere will provide families with four weeks' notice of any change.
2. A current fee schedule will be provided on enrolment and/or request.
3. Families will be charged based on the schedule as developed by the educator. Fees, charges and minimum booked hours are set by the educator and may differ from one educator to the next.
4. Educator's rates may exceed the maximum hourly rate cap for CCS meaning that families are required to pay full cost of anything above this allocated amount.
5. If families exceed their hourly allocation for CCS, they are required to pay full rates on these additional hours. Note: hours are allocated fortnightly and can be effected by the utilisation of care with another provider approved to receive CCS payment on the family's behalf.
6. Fees will be charged on booked hours, with additional fees charged for any extra care provided outside of the booked hours. Additional fees are charged in 15 minute increments.
7. Seven days' notice is required for all cancellations of permanent bookings by the family or educator, or fees may apply.

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- 24 hours' notice is required for all cancellations of casual care. Where casual care is not cancelled, fees will be charged for the entire hours booked.
- Windermere is entitled to charge families a late fee of \$1 per minute for children who are not collected by 15 minutes after the booked pick-up time. Late fees do not attract CCS and must be paid in full by the parents/guardians. This is at the discretion of the Co-Ordination Unit in consultation with educators.

### **Public Holidays**

- If an educator is unavailable to provide care (with the exception of commencement or conclusion of an educator's leave falling on a public holiday) there will be no charge to families.
- Booked hours will be charged for public holidays if they do not fall within an educator's leave dates.
- Public holidays will be charged if the educator's leave commences or concludes on a public holiday and will be charged as an absent. CCS does apply.

### **Casual Care**

- Casual care can be booked directly with educators, as required.
- Booking forms are required each time there is a casual booking.
- Casual care does not follow a regular pattern and fees are charged for the hours booked for the day or actual hours used, whichever is greater.

### **Absences**

- Absences are charged at the normal rate and CCS is paid for 42 allowable absences in a financial year, across all services per financial year (which includes public holidays, illness, curriculum day, etc.). Absences above this number must be accompanied by the appropriate documentation, such as a medical certificate, for CCS to be paid, in accordance with Family Assistance Law.
- Due to Windermere CCS processing being 2 weeks in arrears, CCS cannot be claimed for absences taken for more than 8 consecutive weeks. If planned absences are longer than 8 weeks families will need to exit care and re-enrol on return.
- Standard fees and booked hours are payable on all absences, including public holidays, to maintain secured placement. Educators are not required to hold a place for families who do not pay the full absence fees.
- Educators are not required to provide care on public holidays however if they do, fees will be charged at the public holiday rate.
- From 13 July 2020, families can receive CCS for absences up to seven days before a child's first, and after a child's last, physical attendance at a service, where a session of care would have usually been provided, for any of the following reasons:
  - any of the additional absence reasons.

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- b. the child, the individual who cares for the child, the individual's partner or another person with whom the child lives is ill (no medical certificate required if the child has not used 42 absence days).
- c. the service has changed ownership.
- d. the usual service is closed and the child is attending a different service under the same provider.
- e. a family tragedy (a major event including the death of an immediate family member) has occurred, or
- f. the enrolment ceased incorrectly.

### **Fee Payment**

1. Families who apply for and are eligible for CCS are required to pay the fee not covered by the subsidy. This is commonly referred to as the 'gap' fee.
2. Food, travel and late fees do not attract CCS and will be charged at the full-agreed fee.
3. Educators will receive payment from Windermere on a fortnightly basis, upon receipt and processing of compliant child attendance records.
4. Direct Debit payments are processed fortnightly on a Friday, with a statement of entitlement and invoice distributed on the Thursday of the same week.
5. There are two payment options for direct debit:
  - a. Direct debit via bank account (no associated fees).
  - b. Direct debit via credit card (Windermere pay the 75 cent processing fee and family pays the additional 0.90% surcharge for choosing credit card option).
  - c. A dishonour fee of \$2.75 is charged per failed transaction, which the family pays, when processing of the next direct debit payment occurs.
6. All payments will reflect on the following fortnight's invoice.

### **Overdue Payments and Debts**

1. Windermere understands that from time to time families may experience financial difficulties. We require families and educators to keep us informed of any financial difficulties through timely communication. Timely communication ensures we are able to effectively support families.
2. If parents/guardians are unable to pay an account due to financial difficulties, please contact the Windermere Finance team immediately, who will assist in setting up an agreed payment plan.
3. In the instance of a dishonoured direct debit, Windermere will issue a letter to the parent/guardian advising of the below:
  - a. *Families have 7 days from the date of letter to contact the finance team and arrange payment of the arrears (via direct debit).*
  - b. *If after 7 days the account still remains unpaid the child's enrolment will cease immediately.*

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- c. Referral of the matter to a credit control agency. When an account is forwarded to a credit control agency the account holder will become liable for payment of the collection fees applied as a percentage of each payment at a rate of 25%. *NOTE: Once an account is forwarded to a credit control agency all communications regarding payments must be made directly with the agency. Windermere has no authority to manage payments towards an account at this point.*

### **Financial Hardship**

1. For families experiencing financial hardship, there are options available that may assist with the cost of education and care services. To request options for financial assistance, or to discuss payment options for overdue accounts, speak with the Manager for Early Childhood Education and Care Services. Options include:
  - a. Additional Child Care Subsidy (ACCS) - This is provided by the commonwealth government and enables eligible families to access extra help with the cost of childcare. Eligibility criteria applies.
  - b. KFS – This is provided by DET and enables children to attend four year old kindergarten free of charge or at minimal cost. Eligibility guidelines apply and supporting documentation is required.
  - c. Early Start Kindergarten – This is provided by the DET and enables three year old Aboriginal and Torres Strait Islander children and those known to Child Protection to attend a funded early childhood program that is planned and delivered by a qualified early childhood teacher free of charge.

### **Relevant Standards/Legislation**

- National Quality Framework for Early Childhood Education and Care Services including:
  - Education and Care Services National Law 2011
  - Education and Care Services National Regulations 2011
- A New Tax System (Family Assistance) Act 1999
- Family Assistance Law

### **Related Policies & Links**

- Attendance Records procedure
- Record Keeping procedure
- Confidentiality and Privacy (Children & Families) procedure