

Fees Policy

2018

National Regulations

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Aim

Medowie Gumnut Preschool will provide an affordable quality children's service for all families.

Rationale

Medowie Gumnut Preschool aims to provide affordable quality care for families. All children have a right of equal access to quality children's services, regardless of economic status, cultural background or disability. The fees charged, with funds received from the Department of Education and Training, and fundraising, must cover operating costs. These include staff salaries, sickness and holiday pays, superannuation, relief staff, in-service training, replacement of worn out equipment, acquisition of new equipment and materials for the children, office materials, telephone, electricity, cleaning, maintenance and repairs.

In order to continue to provide an affordable, quality service, the preschool must charge fees that allow it to remain economically viable.

Financially disadvantaged families require financial assistance and information about other financial and support services to be able to access this service.

Who is affected by this Policy?

- * Management
- * Educators
- * Children
- * Families

Implementation

- The fees are set by management, balancing the need to provide an affordable quality service and at the same time remain economically viable.
- In setting fees, the Management will examine the current budget, likely future financial liabilities and receive advice from the Accounts Officer and Director.
- Fee invoices are issued every week. Fees are paid in advance, by the date due on the invoice, always within 2 weeks of receiving the invoice.
- Families wishing to pay weekly, fortnightly etc may do so after informing the authorised Provider.
- Fees are payable by cash and BPay.
- Fee envelopes containing payment are to be placed in the wooden fee box near the parent area. This box is labelled 'Fees'.
- Receipts are emailed to families upon payment.
- Fees are payable if the child is sick or on a holiday. Fees are payable for all public holidays falling on the child's days of enrolment.
- Upon enrolment, all families are required to pay an 'Enrolment Fee'. This is a holding fee that guarantees the position to that family. This is a non-refundable fee. If a family decides not to take the position, they will lose the entire enrolment fee.
- Upon enrolment, all families are required to pay an 'Insurance Fee' per day of attendance. This is a single payment per year. This payment is a non-refundable payment. If a family decides not to take the position prior to their starting date, this fee will be refunded.
- If, across the year, a child increases the number of days they are enrolled, they will be charged extra insurance fees accordingly.
- After a child commences, 2 weeks notice, or 2 weeks fees in lieu of, is required if a child is leaving preschool.

Child Care Subsidy

The Australian Government is committed to ensuring that Australian families are able to access affordable, flexible and high quality child care. The Government provides a number of subsidies and programs to help with the cost of child care, with the Child Care Subsidy being the main type of assistance that most families will use.

What are the eligibility requirements?

To be eligible for the Child Care Subsidy the following requirements must be met:

- the child must
 - be a 'Family Tax Benefit child' or 'regular care child' and
 - be 13 or under and not attending secondary school and
 - meet immunisation requirements
- the person claiming the Child Care Subsidy, or their partner, must
 - meet residency requirements and
 - meet the Child Care Subsidy activity test (or be eligible for an exemption) and
 - be liable to pay for care provided under a Complying Written Arrangement (their written agreement) with their child care provider
- child care must be provided by an approved provider in Australia and not be part of a compulsory education program, for example school.

There are exemptions for individuals who genuinely cannot meet some eligibility requirements.

How much can a family receive?

The level of subsidy a family receives will depend on three factors:

- Income – a family's (both partners) combined income
- Activity test – what activities the individual and their partner undertake or exemptions that might apply and
- Service type – the type of approved child care service used, for example
- Centre Based Day Care.

Combined Family Income

The table below outlines combined family income and relevant rate of Child Care Subsidy to which families will be entitled.

Combined Family Income	Subsidy per cent of the actual fee charged (up to relevant percentage of the hourly rate cap)
Up to \$66,958 [^]	85 per cent
More than \$66,958 [^] to below \$171,958 [^]	Decreasing to 50 per cent*
\$171,958 [^] to below \$251,248 [^]	50 per cent
\$251,248 [^] to below \$341,248	Decreasing to 20 per cent*
\$341,248 [^] to below \$351,248 [^]	20 per cent
\$351,248 [^] or more	0 per cent

[^]These amounts are correct for 2018-19 and will be subject to adjustment through indexation in subsequent years.

*Subsidy gradually decreases by 1 per cent for each \$3000 increase in family income.

The amount of subsidy a family receives will be their Child Care Subsidy percentage of the hourly fee charged or the applicable hourly rate cap, whichever is lower (see hourly caps under Service type below).

Families can use the Department of Human Services Payment and Service Finder (www.humanservices.gov.au/paymentfinder) to estimate how much Child Care Subsidy they may be entitled to by entering their details.

Activity test

The number of hours of subsidised child care to which a family will be entitled will depend on how much time parents spend undertaking recognised activities, for example work, training, volunteering or study.

The Child Care Subsidy activity test takes into account both parents' (if applicable) activities, however, the maximum hours a family will receive will be based on the person with the lowest level of activity. A broad range of activities will meet the activity test requirements.

For people with irregular work hours, such as casual employment, an estimate can be used based on the highest number of hours they expect to work in any one fortnight over a three-month period.

There is a three-step activity test to calculate how many hours to which a family will be entitled.

Step	Hours of activity (per fortnight)	Maximum number of hours of subsidy (per fortnight)
1	8 hours to 16 hours	36 hours
2	More than 16 hours to 48 hours	72 hours
3	More than 48 hours	100 hours

Service type

There is an hourly rate cap for each hour of child care provided which differs depending on the type of approved child care service used.

Where a child care provider charges less than the hourly rate cap, a family's subsidy will be their Child Care Subsidy percentage of the actual fee charged.

If a child care provider charges more than the hourly rate cap, a family's subsidy will be their Child Care Subsidy percentage of the relevant hourly rate cap.

Table: Hourly rate caps by care type

Centre based care	\$11.77
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These hourly rate caps are correct for 2018-19 and will be subject to adjustment through indexation in subsequent years.

Is there an annual cap?

If a family earns \$186,958 (in 2018-19) or less, they will not have an annual cap on their Child Care Subsidy each financial year.

If a family earns more than \$186,958 and less than \$351,248, child care costs will be subsidised up to an annual cap of \$10,190 per child each financial year. The annual cap will be increased each year.

How will the Child Care Subsidy be paid?

Child Care Subsidy will be paid directly to child care providers to pass on to families as a fee reduction so that their fees are reduced at the time they use child care. Families will pay their provider the difference between their subsidy and the fees charged. Families will not be able to elect to receive their subsidy as a lump sum at the end of the financial year. Families will need to make a claim for Child Care Subsidy when (or before) each child starts attending care.

Any Child Care Subsidy owed to families following the end of year reconciliation process will be paid directly to families as a lump sum. If a family has been overpaid Child Care Subsidy during the year the family may have to repay some Child Care Subsidy (a debt).

When does a family stop receiving Child Care Subsidy?

If a family earns \$351,248 (in 2018-19) or more per year, they will not be entitled to any

Child Care Subsidy. However, high income families who are not certain of their combined family income for the year ahead, are encouraged to make a claim for Child Care Subsidy. This maintains their eligibility for Child Care Subsidy throughout the year and will ensure they receive entitlement if their actual income at the end of the financial year ends up being below \$351,248.

What is the Child Care Subsidy withholding?

Child Care Subsidy withholding is designed to help families avoid or minimise debts at reconciliation, which could occur due to changes in circumstances throughout the year (for example, changes to family incomes or activities).

Parents can request their percentage of withholding be adjusted up or down through Centrelink. However, withholding is important as it helps protect families from possible debts.

After reconciliation any outstanding subsidy is returned to the family.

Five per cent of all families' Child Care Subsidy will be withheld by the Government, however, withholding will not apply to Additional Child Care Subsidy payments.

What is the Additional Child Care Subsidy?

The Additional Child Care Subsidy is a top up payment in addition to the Child Care Subsidy which will provide targeted additional fee assistance to families and children who need extra support.

The Additional Child Care Subsidy has four elements:

- child wellbeing
- grandparents
- temporary financial hardship
- transition to work.

Where can I get further information on the child care package?

- Visit the Department of Education and Training Child Care Package website at education.gov.au/eccc
- Visit the Department of Human Services Child Care Subsidy website humanservices.gov.au/childcaresubsidy

Overdue Fees

- The preschools financial viability is dependent on all families paying fees promptly.
- When invoices are issued, families are to pay fees within 2 weeks
- If fees have not been paid within 2 weeks of the due date a late fee will be sent to families requesting payment. This will be followed up with a phone call if fees continue to remain unpaid.
- If fees still have not been paid within the next 2 weeks the child's position at the preschool will be discontinued.

In line with our 'Extended Absences' policy and in the event of a child being excluded from our preschool as a result of:

- Contracting an infectious disease
- Being unimmunised during an outbreak of an infectious disease
- Being an unimmunised contact
- Short or long term illness or incapacity.
- Closure of centre due to unforeseen circumstances

Full fees are payable.

LATE COLLECTION OF CHILDREN

Due to increased cost to the centre, when children are picked up out of operational hours, the following late fees will be charged to parents:

- \$5.00 for the first 10 minutes
- \$2.00 for each additional minute after that.

The centre provides regular information on fees, affordability, and assistance in the Preschool Handbook, Newsletters and signs on our notice boards.

Sources

- * Early Childhood Australia: <http://www.earlychildhoodaustralia.org.au/>
- * Education and Care Services National Regulations 2018
- * Family Assistance Law
- * Australian Human Rights Commission: <http://www.hreoc.gov.au>
- * Early Childhood Australia: <http://www.earlychildhoodaustralia.org.au/>
- * Privacy Act: <http://www.privacy.gov.au/law/act>
- * The Australian Children's Education & Care Quality Authority: <http://www.acecqa.gov.au/>
- * Visit the Department of Education and Training Child Care Package website at education.gov.au/eccc
- * Visit the Department of Human Services Child Care Subsidy website humanservices.gov.au/childcaresubsidy

Review

Last Reviewed: September 2018

Date for Next Review: September 2019