Opportunity through learning

Child Care Payments Compliance Program
Information for child care services and families

The Australian Government supports families who use child care
Access to quality, flexible and affordable child care enables parents to participate more fully in the workforce, study and the broader community.

The Australian Government spends approximately $8 billion a year on child care fee assistance to support families’ access to quality child care.

- Child care fee assistance is provided mainly through the:
  - Child Care Benefit (CCB) including:
    - Special Child Care Benefit (SCCB)
  - Grandparent Child Care Benefit (GCCB)
  - Child Care Rebate (CCR)
  - Jobs, Education and Training Child Care Fee Assistance (JETCCFA).

Most of the time, the payment is made to approved child care services on behalf of families under the Family Assistance Law. To be eligible to receive Government child care fee assistance, all approved child care services must comply with the law.

Most services are honest, but a small number choose to break the law
Most approved services ‘do the right thing’ and obey the law.

Unfortunately, a small number of services, particularly in the Family Day Care (FDC) sector, deliberately break the law by incorrectly reporting that children are attending care when in fact they are not. That is potentially a crime and there are serious consequences.

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Important message to families: A service doing the wrong thing can cause you problems
Sometimes families are unaware that services are dishonestly submitting attendance records that misrepresent the care they are providing. To make sure you do not become involved in claiming money you are not entitled to and you may have to repay, you should:

- not accept any offers for Government-subsidised ‘free’ transport for your child to and from school
- keep a record of the days and/or hours that your child attends child care
- review the statements given to you by your child care service that show the time your child was in care, the total fee amount and the amount of child care fee assistance you received
- check the statements against your own records
- report anything that doesn’t seem right to you.

We are taking action to stop non-compliance
We are ensuring that there are fewer opportunities to break the rules by:

- making sure that services and individuals understand the rules and that they are required to obey them
- introducing new rules to close off any loopholes in the current law.

We are making it tougher to get away with breaking the rules by:

- taking strong action against services and individuals who disobey the law
- publishing information about services and individuals who have done the wrong thing.

We are finding the law breakers, including by:

- matching our information with information from other Government departments, like Centrelink, Immigration and Border Protection, the Australian Taxation Office and the State and Territory Government Regulatory Authorities
- investigating possible rule-breaking, including with the help of the Australian Federal Police.

Significant penalties are in store for those who break the rules
We take action against those who commit fraud, and we use the law to make services pay back money they received dishonestly. Penalties can include:

- civil penalties for failure to comply with certain obligations under law (of up to $72,000 for a body corporate and $36,000 for an individual)
- suspension of a service’s CCB approval
- cancellation of a service’s CCB approval
- even a jail sentence if individuals are found guilty of fraud against the Government.
We have a fair process in place
Where we have evidence that a service or individual is doing the wrong thing and we decide to take action under the law, we:

- write to them to tell them what the evidence is and the reasons why we are imposing a penalty
- give them an opportunity to respond to the evidence presented and the proposed sanction
- consider their response before making a final decision and taking action.

We are successful in improving compliance with the law
We are continually developing and implementing new ways to detect cheats.

With the help of other Government departments and the Australian Federal Police, we have successfully prosecuted a number of people for fraud.

We are sending a clear message that we will find those unscrupulous services and individuals who exploit the system, and we will take action to shut them down.

Work with us to keep the child care payments system fair for everyone
We encourage everyone, including members of the public, to help us make sure that child care fee assistance payments are only made to those who are entitled to receive them – not to people who set out to exploit the system.

If you think a service or an individual is doing the wrong thing or is trying to get an unfair advantage, please contact us – you don’t even have to give us your name – by:

- phoning us on 1800 664 231
- emailing us on tipoffline@education.gov.au.

A new and stronger child care system will be introduced in July 2018
The new system will deliver increased flexibility and streamlined processes for services and a stronger compliance framework to protect the integrity of child care fee assistance payments.

The new system has implications for services, including new obligations to comply with the changes that have been made to the Family Assistance Law. Changes affecting families are detailed in the Overview of key changes for Families.

The new child care IT system will help to prevent the submission of incorrect or deliberately fraudulent payment claims and will increase our ability to identify non-compliance.

There is more information available
Our website provides information about compliance matters – just follow the links in this document or visit Compliance | Department of Education and Training.

Media enquiries should be directed to media@education.gov.au. All media enquiries will be handled in line with the department’s media policy.

For the latest media releases in relation to child care compliance, refer to the Media Centre.