

Senate Committee: Education and Employment

**QUESTION ON NOTICE
Budget Estimates 2017 - 2018**

Outcome: Early Childhood and Child Care

Department of Education and Training Question No. SQ17-000859

Senator Collins, Jacinta provided in writing

Concerns about predatory practices and viability in the child care sector

Question

Have concerns about predatory practices in the child care sector been raised with the Department or the Minister? Has there been an increase in reports?

a. Is the Department aware of practices including offering \$1 a day child care? And gift vouchers for bringing children in to child care centres?

b. Is this of concern? Is it consistent with high quality care?

Is this an indication that there are problems with viability in the child care sector? Is that something the Department has done any analysis on or are concerned about?

Answer

Fee charging practices are commercial decisions made by child care service providers and are not prescribed under family assistance law. The Department of Education and Training is aware of some services that offer incentives to attract families to their service including, for example, offering an initial period of discounted fees. Under family assistance law, the discounted fee is the relevant fee for calculating individuals' entitlements. Families are still expected to contribute to the cost of child care, net of any Child Care Benefit and/or Child Care Rebate.

Under the National Quality Framework, a regulatory authority in each state and territory is responsible for monitoring and enforcing measures to ensure the quality and safety of child care services. Any concerns about the quality of a particular service should be referred directly to the relevant regulatory authority.

The department monitors these kinds of emerging marketing practices as part of its ongoing policy and compliance analysis. The department has undertaken more than 6000 compliance checks since 2014, of which 3800 were conducted in the 2016–17 financial year. This has enabled the department to monitor emerging market practices while at the same time ensuring those services which are guilty of practices that are inconsistent with the intent of family assistance law are brought to account, resulting in the cancellation of 117 services last financial year.