

Senate Committee: Education and Employment

**QUESTION ON NOTICE
Supplementary Budget Estimates 2016 - 2017**

Outcome: Early Childhood and Child Care

Department of Education and Training Question No. SQ16-001165

Senator Collins, Jacinta provided in writing

Family Day Care compliance

Question

In relation to Family Day Care compliance:

- (a) What is the annual budget of the FDC compliance team? How much has it been in each of the last three years?
- (b) How many investigators are there in the Family Day Care compliance team? Where is each member of the team based? Are they all working full time and at work at the moment? Are any on stress leave or other long-term leave?
- (c) In the last three years, have there been any reports of possible fraud that have not been followed up by the compliance team? Have any not been followed up because of resource constraints?
- (d) Have any FDC services had their CCB registration cancelled in the last year? How many? Why? Provide a list of all cancellations and dates.
- (e) How many FDC services have had their CCB registration cancelled in each of the last three years? Why was each one cancelled?

Answer

- (a) 2016–17 — \$15 million approximately. Due to machinery-of-government changes since 2014, the Department of Education and Training can only provide the estimate for 2016–17.
- (b) The dedicated compliance unit was subsequently first established in 2014 and now has more than 100 staff, both full-time and part-time. All leave is taken in accordance with the usual leave entitlements. No members are on stress leave or long term leave.
- (c) All reports of fraud are followed up by the department or through referral to another agency.
- (d) In 2015–16 the department suspended 14 services and cancelled 32 services as a result of compliance action.

To the September quarter 2016–17, the department suspended a further 12 services and cancelled 17 services as a result of compliance action.

Services were suspended or cancelled under family assistance law for breaches of rules or as follow up to action taken by state regulatory authorities.

A summary table is attached with additional detail for questions (d) and (e).

(e) Services suspended and/or cancelled

2012–13 — no suspensions / no cancellations

2013–14 — six suspensions / eight cancellations

2014–15 — nine suspensions / six cancellations

2015–16 — 14 suspensions / 32 cancellations

2016–17 (to Sept quarter) — 12 suspensions / 17 cancellations

Services were suspended or cancelled under family assistance law for breaches of rules or as follow up to action taken by state regulatory authorities.

Summary of Compliance Actions

Year	Service Type	Number of Suspensions	Number of Cancellations	Total	Reasons for compliance action
July 16 – Sept 16	Family Day Care Long Day Care Outside School Hours Care	12	14 1 2	29	<p>Suspensions</p> <p>Contraventions of Family Assistance Law:</p> <ul style="list-style-type: none"> Section 201A, 201A(1)(a), 201A(1)(c), of the <i>A New Tax System (Family Assistance) (Administration) Act</i> – Immediate suspension for certain breaches. Section 200(1)(d) – consequences of breach of conditions for continued approval. <p>Cancellations</p> <ul style="list-style-type: none"> Section 200(1)(e) <i>A New Tax System (Family Assistance) (Administration) Act 1999</i> – Consequences of breach of conditions for continued approval. Section 202(4) <i>A New Tax System (Family Assistance) (Administration) Act 1999</i> – The Secretary must cancel an approved child care service's approval if the service fails to provide child care for a continuous period of 3 months, unless the Secretary is satisfied that, because of special circumstances affecting the service, the approval should not be cancelled. Section 202(4A) of the <i>A New Tax System (Family Assistance) (Administration) Act 1999</i> – The Secretary must cancel an approved child care service's approval if the service ceases to be operated by the person on whose application the approval was granted. <p>Full legislation is available at: https://www.education.gov.au/family-assistance-law.</p>
Total		12	17	29	
July 15 – June 16	Family Day Care Long Day Care	14	30 2	46	<p>Suspensions</p> <p>Contraventions of Family Assistance Law:</p> <ul style="list-style-type: none"> Section 201A, 201A(1)(b) of the <i>A New Tax System (Family Assistance) (Administration) Act</i> – Immediate suspension for certain breaches. <p>Cancellations</p> <ul style="list-style-type: none"> Section 200(1)(e) <i>A New Tax System (Family Assistance) (Administration) Act 1999</i> – Consequences of breach of conditions for continued approval. Section 202(4) <i>A New Tax System (Family Assistance) (Administration) Act 1999</i> – The Secretary must cancel an approved child care service's approval if the service fails to provide child care for a continuous period of 3 months, unless the Secretary is satisfied that, because of special circumstances affecting the service, the approval should not be cancelled. <p>Full legislation is available at: https://www.education.gov.au/family-assistance-law.</p>
Total		14	32	46	
July 14 – June 15	Family Day Care Long Day care	7 2	4 2	15	<p>Suspensions</p> <p>Contraventions of Family Assistance Law:</p> <ul style="list-style-type: none"> Section 201A of the <i>A New Tax System (Family Assistance) (Administration) Act</i> – Immediate suspension for certain breaches. Section 219TSQ – 10 infringement notices under section 219TSI are given to the person in relation to the service within a period (the <i>infringement period</i>) of 12 months; and in relation to each notice, the time for paying the penalty specified in the notice has ended before the end of the infringement period. <p>Cancellations</p> <ul style="list-style-type: none"> Section 200 <i>A New Tax System (Family Assistance) (Administration) Act 1999</i> – Consequences of breach of conditions for continued approval. Section 202(4) <i>A New Tax System (Family Assistance) (Administration) Act 1999</i> – The Secretary must cancel an approved child care service's approval if the service fails to provide child care for a continuous period of 3 months, unless the Secretary is satisfied that, because of special circumstances affecting the service, the approval should not be cancelled. <p>Full legislation is available at: https://www.education.gov.au/family-assistance-law.</p>
Total		9	6	15	

Year	Service Type	Number of Suspensions	Number of Cancellations	Total	Reasons for compliance action
July 13 – June 14	Family Day Care Long Day care Outside School Hours Care	5 1	5 1 2		<p>Suspensions</p> <p>Contraventions of Family Assistance Law:</p> <ul style="list-style-type: none"> Section 201A of the <i>A New Tax System (Family Assistance) (Administration) Act</i> – Immediate suspension for certain breaches. <p>Cancellations</p> <ul style="list-style-type: none"> Section 200 <i>A New Tax System (Family Assistance) (Administration) Act 1999</i> – Consequences of breach of conditions for continued approval. Section 202(4) <i>A New Tax System (Family Assistance) (Administration) Act 1999</i> – The Secretary must cancel an approved child care service's approval if the service fails to provide child care for a continuous period of 3 months, unless the Secretary is satisfied that, because of special circumstances affecting the service, the approval should not be cancelled. <p>Full legislation is available at: https://www.education.gov.au/family-assistance-law.</p>
TOTAL		6	8	14	