

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. SQ17-000883

Senator Collins, Jacinta provided in writing

Financial viability of any large private providers

Question

Does the Department have any concerns about the financial viability of any large private providers?

a. Have assessments of the financial viability of large providers been undertaken in the last year? Is the government relying on advice from providers about their viability or are audits being undertaken by the Department?

Answer

Under shared service arrangements, the Department of Employment on behalf of the Department of Education and Training has undertaken assessments of the financial viability of large providers in the last year. 'Large providers' are defined as Child Care Benefit approved long day care (LDC) providers with 25 or more services.

(The *A New Tax System (Family Assistance) (Administration) Act 1999* was amended in October 2011 to allow for the assessment and monitoring of the financial viability of large providers).

In undertaking these assessments, the Department of Employment relies on providers' audited financial statements and the completion of a questionnaire designed to capture specific operational and organisational information.

The outcome of financial viability assessments is 'commercial in confidence'.

The legislative provisions also include the authority for the department to be able to commission an independent audit of a large provider where there are concerns about its ongoing financial viability.