

Family Day Care

Payment and Collection of Fees Policy

Section: 7 Governance and Leadership

Policy ID Number: 7.2

Link to National Quality Standard: 7.1.2, 7.1.3

Link to Education and Care Services National Legislation: r168, r172

1 Policy Statement

Council will set the childcare fee range and guidelines. These must be adhered to by families and Educators at all times.

Educators are independent contractors working as agents for Council and will set their fees within the range determined by the Coordination Unit based on their experience, qualifications and capabilities.

2 Rationale

The FDC Service is committed to creating and maintaining a child safe organisation where protecting children and preventing and responding to child abuse is embedded in the everyday thinking and practice of all staff, Educators, Educator household members, work experience/work placement students and volunteers irrespective of their involvement in child related duties.

To outline the payment and collection of fees by families to the Educator and the Service.

To ensure all parties are fully aware of their commitment and obligations regarding fees, charges and responsibilities in relation to payment.

To ensure compliance with the family assistance law.

To implement consistent fee payment procedures.

To maintain affordable fees.

3 Procedures

Please note: From 1 July 2025, the Service must collect gap fees directly from families. This means that educators will no longer collect the gap fee themselves. The procedures outlined in the bullet points below will change when the service implements this in 2025, and the policy will be updated accordingly and distributed to families.

3.1 Complying Written Arrangement (CWA)

- As part of the enrolment process with the Service, sessions of care are established and agreed between the Coordination Unit, Parent/Guardian and Educators prior to care starting.
- The CWA specifies the booked days (sessions) and hours and fees payable for each child's session of care. This ensures that all parties are fully aware of their commitment and obligations regarding fees and charges and responsibilities in relation to payment. This is set out in the Fee Schedule.
- When there are changes to booked days and hours, the Coordination Unit will create and submit a revised CWA to the families using Harmony Web (Harmony). Families will be required to approve the CWA at any time the booking changes.
- When there are changes to fees the Educator will update their fee schedule and families will sign in agreement. Once completed the Educator will submit this to the Coordination Unit.
- The CWA and/or the enrolment notice will not need updating if the variations to the care arrangements occur within the agreed scope. e.g. Additional days of care (casual care), orientation.

3.2 Service Setting of Fees and Service Levy

- The Coordination Unit set and annually review the Service Fees and Charges specifying the fee range for each hour of care, each type of care and other charges in consultation with the Educators.
- Educators will set their fees within the fee range specified in the Service Fees and Charges. Their fee will be based on the Educators qualifications, experience and performance.
- Educators will not add any other additional charges or differ from the signed Fee Schedule without consulting the Coordination Unit and advising families of the new charges.
- Fees and charges will be reviewed annually.
- The Coordination Unit will provide families with at least four (4) weeks' notice of any changes to the fee structure and the date when they will come into effect.
- The service levy is a fee paid by families to Council to assist with the administration of the service. This is in addition to Educator's fee but is included in the Service Fees and Charges.
- To collect the service levy the Coordination Unit withhold this money from CCS payments.
- Where CCS payments do not cover the full amount of the service levy the Educator will collect the outstanding amount from the relevant families on Council's behalf. In this circumstance the Coordination Unit will invoice the Educator for the amount owed.
- The Coordination Unit will determine the service levy annually within the guidelines of the annual Council budget process.

3.3 Child Care Subsidy (CCS) Enrolment

- The Australian Government provides CCS to families to help cover the cost of approved child care. CCS is available to all families who meet the eligibility requirements. The family is responsible to complete and lodge their online CCS claim form via their myGov account.
- To receive CCS families are required to confirm their enrolment with the service via their myGov account. CCS will not be paid, and full fee is payable, until the enrolment is confirmed and the Department of Education has provided the service with the CCS information.
- The Department of Education will automatically end a child's CCS enrolment if they have not attended a care session within a 14-week period (e.g. attendance only during school holidays). If this occurs the family can contact the service to create a new enrolment. This may impact CCS payments.
- The Department of Education will automatically cancel a child's booking and CCS if they have not attended a care session within a 26-week period. If this occurs the family will need to submit a new CCS claim if the child re-commences care. This will impact CCS payments. Services Australia will notify impacted families.
- The family will repay to the service any CCS that the Department of Education reclaimed from their child's attendances for any reason, including non-attendance on first or last days of care, even if this occurs after care has ceased.

3.4 Fees and Payment of Fees

- A Resource Officer will provide new families with the information on fees and payment of fees at the initial family interview.
- Educators will ensure a signed Fee Schedule is in place prior to families commencing care and will provide a copy to the Coordination Unit. The Coordination Unit must have this copy prior to a child starting care.

- The Coordination Unit will process all Child Care Subsidy (CCS) Claims and parent fees for Educators and administer payment of the CCS to Educators through Harmony.
- The family CCS gap fees will be paid to the Educator, as the Council's agent according to the Fee Schedule that is signed by the Educators, the Coordination Unit and the Parent/Guardian. Families not eligible for CCS will pay full fee.
- The Coordination Unit will provide a Payment Advice to Educators and an Invoice to families fortnightly. Families will pay the Educator on receipt of the fortnightly Invoice.
- CCS Gap fees are to be paid electronically (i.e no cash) directly to the Educator's bank account.
- Educators must receipt all payments collected via Harmony.
- Families will be liable to pay Educators the required fee when the educator is available for care. i.e. If a child is ill or the family is on holidays.
- If any adjustments are made to any fortnights prior to the current fortnight a Parent/Guardian Advice will be provided to outline these adjustments and any debits or credits that apply. Payments will need to be adjusted between the Educator and Families accordingly.
- Core hours are 8.00am to 6.00pm Monday to Friday. Any care provided outside these hours will classify as non-core hours of care.
- Additional care to be provided in
 - core hours must be notified to the Coordination Unit prior to the care commencing.
 - non-core hours must be notified to the Coordination Unit by at least 5pm the day before.
- Families will not be liable to pay fees if the Educator is not available for care, for example being on holidays or illness.
- Educators can charge late fees per their fee schedule if a family is late to collect their child.
- Educators are able request a security deposit that is refundable on termination of care (provided that family is not in arrears).

3.5 Public Holidays

- Non-Attendance on a Public Holiday is charged at normal core and non-core rates for days that are a regular booking.
- Attendance on a Public Holiday must be approved by the Coordination Unit by 5:00pm the day prior to attendance and will be charged at Public Holiday rates.
- Attendance on a Public Holiday will be charged for the regular booking regardless of whether the child attends the full hours or not.
- Where a family requires care on a Public Holiday and the regular Educator is not available, the Coordination Unit will endeavour to relocate the child to an alternate Educator. In this circumstance only the Educator providing care will be paid based on their Fee Schedule.
- School aged children that have a regular booking before and/or after school during term and use full days of care in school holidays can be charged for a public holiday as per their booking.

3.6 Allowable Absence Days

- Each child is eligible for Child Care Subsidy (CCS) for the first 42 absences from care across all approved child care services per financial year. These absences can be taken for any reason and do not require supporting documentation but are only available on a day that care was booked, and the family was charged for that care.
- If a family takes holidays or any other forms of leave, fees are still payable to the Educator as the Educator is available; this includes public holidays. Allowable absences are available, so families will still receive CCS when absent for up to 42 days per year.

- If a child is absent on their first or last day of care, CCS may apply for absences up to seven calendar days before or after a child's first or last physical attendance. [To be eligible the child/family must meet criteria outlined by the Department of Education](#) and if relevant provide supporting evidence. If these circumstances arise the Coordination Unit will provide details of the criteria and evidence.
 - If the child is absent outside the seven calendar days and/or does not meet the Department of Education criteria, the family will not be eligible for CCS and full fees will apply for these absences.

3.7 Approved Absence Days

- The first 42 days of absences in a financial year are allowable absences, regardless of the reason the child is absent.
- After a child has used all 42 days of allowable absence days in a financial year, additional absence days may be accessed [if the child/family meet the criteria outlined by the Department of Education](#), meaning the family may still be able to access CCS. When these situations arise, the Coordination Unit will provide families details of the criteria.
- If eligible for approved absence days, the family will be required to provide documented evidence as to how they meet the criteria, for example a medical certificate.

3.8 Casual Care / Additional Day(s)

- Where a family does not have a regular booking, the booking will be considered casual. Families using only casual care will be charged at the Educators casual rate as per the Educators Fee Schedule.
- Additional days are extra days of care for children who have an existing booking for contract hours. These days will be charged at the core or non-core rate in which the care is booked and provided.
- Educators must complete a booking request with the families via Harmony for casual care and Families will be required to use their Personal Identification Number (PIN) to approve the request.
- Families must notify the Educator at least 24 hours to cancel casual care without incurring a charge. Where no notice or late notice of cancelation is provided the family will be charged.

3.9 School Holiday Care

- Children that have a regular booking before and/or after school during term and use full days of care in school holidays will be charged at core and non-care rates (as relevant).
- Where families indicate they will use care regularly in school holidays, and attendance is consistent, (even though days may vary) will be charged at core and non-care rates (as relevant).
- School aged children who attend irregularly in school holidays (odd days here and there) can be charged at casual rates.
- Educators must complete a booking request with the families via Harmony for School Holiday care and families will be required to use their Personal Identification Number (PIN) to approve the request.

3.10 Notification Periods

- Families and/or Educator must provide two weeks written notice to the Coordination Unit if either party is terminating care. On termination of care, if child/ren cease care during a notice period, the Child Care Subsidy (CCS) is paid for absences in accordance with the current CCS legislation. In certain circumstances the full fee is payable.

- Families and Educators must provide two weeks' notice to the Coordination Unit to change a child's booked hours of care. Educators will complete a booking change request via Harmony and Families will be required to use their PIN to approve the request.
- The Educator will provide families and the Coordination Unit at least two weeks' notice prior to taking holidays. The Educator will submit this leave in Harmony.
- Where the Educator is unavailable unexpectedly e.g. illness, they will provide the family and Coordination Unit as much notice as possible.

3.11 Harmony Software and Harmony for Educators

- The Coordination Unit will administer all payments through a third-party licenced software program called Harmony that is registered with the Australian Government.
- All newly registered Educators will be supported to use Harmony for Educators to administer the payments and attendance records for families.
- Educators will be charged a subscription fee for use of Harmony for Educators.
- The Coordination Unit will administer Harmony and Harmony for Educators in line with the software administrator's policies and procedures including privacy requirements.
- If an Educator is unable to access Harmony for Educators in circumstances such as the internet being down or their device not functioning, they will use paper-based records to manage attendance and leave. The Educator must contact the Coordination Unit as soon as possible and work to rectify the situation.

3.12 Administration

- Educators will use Harmony for Educators to record children's attendance. Each Educator will be issued a PIN.
- Parent/Guardians and each authorised nominee will be issued their own PIN to sign children in and out.
- **Each PIN must only be used by the person it is issued to, and not be shared with anyone else.**
- Educators will only sign/PIN children in and out of care when dropping off or picking up from school, kindergarten etc, or upon failure by a parent /guardian to do so. When doing this a note will be made in Harmony for Educators as to the reason why.
- If Educators need to use paper-based documents, then scanned versions of these are also considered legal documents.
- Educators will ensure all timesheets/records/documentation are accurate records in order to comply with State and National regulations. Records are to be returned to the service when specified. Timesheets must be submitted for every child, every fortnight.
- The Coordination Unit will provide all families the Statement of Entitlement report, detailing the fees charged, what those fees have been charged for and how Child Care Subsidy has offset those charges. This will be issued fortnightly in the alternate week to the Parent/Guardian Invoice.

3.13 Security Deposit

- Educators can request a security deposit that is refundable on termination of care care (provided that family is not in arrears).
- Educators must provide a Harmony Invoice and receipt for any security deposit paid by a parent/guardian.

3.14 Financial Difficulties / Failure to Pay

- If a family has incurred a debt at another Care and Education service and it comes to the attention of the Coordination Unit, the Coordination Unit will determine the risk prior to enrolling the family in FDC and will discuss this with the family when they register. The Coordination Unit has the right to determine that the risk of the family not paying the Educator is too great and therefore the family will not be enrolled.
- The Coordination Unit will contact families with payments in arrears and will support Educators to minimise bad debts incurred by parents using the service.
- Families who accrue a debt will be supported by the Coordination Unit and the Educator to develop a payment plan to assist the family. If the payment plan is not adhered to, care may be suspended until payment is made or if ongoing non-payment the family may be asked to leave the service.
- The Coordination Unit reserves the right to terminate care immediately if after negotiation the fees remain unpaid or there is a breakdown in the care arrangement.

4 References

- [Education and Care Services National Law Act](#)
- [Education and Care Services National Regulations](#)
- [National Quality Standards](#)
- [Childcare Provider Handbook](#)
- Family Day Care Information Handbook
- Family Day Care Educator Agreement

5 Definitions

Term	Definition
Absence Fee	The usual fee will be charged for all absences for regular bookings. This includes sick days or any holidays including public holidays.
Additional Absences	Once all Allowable Absences are used families can access Additional Absence days if they meet the criteria and provide supporting documentation.
Additional Days	Additional days are deemed as additional days booked with the educator for children whose parents have a regular booking.
Allowable Absences	Children who are eligible for CCS will receive this for up to 42 absences per financial year.
Casual Care	Casual Care is deemed to be any care that is of a casual nature and no permanent booking and is charged at casual fee rates.
Child Care Subsidy (CCS)	Child Care Subsidy (CCS) is the subsidy made available by the Australian Government to support families in paying their child care fees.
Fee Schedule	A signed Fee Schedule between families, educators and the Coordination Unit providing information on the fees and charges of each Educator.
Gap Fee	The gap fee is the difference between the total costs of care (Educator total plus Service Levy) less any Child Care Subsidy (CCS) entitlements.
Harmony Web for Educator	A software system that Educators use to administer Family Day Care that is linked to the Coordination Unit.

Term	Definition
Harmony Web	A software system that the Coordination Unit use to administer payments that is approved by the Commonwealth Government.
Late Fee	Payable to the Educator if child is collected later than the agreed contract time.
Parent/Guardian Advice	A fortnightly statement the 'Parent/Guardian Advice' is an invoice outlining the amount owed to Educators.
Payment Advice - Educator	A fortnightly statement the 'Payment Advice' provides Educators details of all care charged in the previous fortnight and amounts owing from families.
Personal Identification Number (PIN)	A PIN is provided to each individual authorised to collect children from care. The PIN is used by parents/guardians and authorised nominees to authorise transactions in Harmony.
Statement of Entitlement	A fortnightly statement the 'Statement of Entitlement' is a document that provides families details of CCS entitlements and care usage.
Department of Education	This is the federal department that is responsible for the distribution of CCS payments.

Revision History

Date	Revision No.	Revision Section	Revision Description
December 2016	1.0	All	Initial Policy Release (creation date)
November 2020	2.0	All	Updated from old Policy to new format and current information.
April 2022	3.0	3.4 Fees and Payment of Fees	Added security deposit criteria
April 2023	4.0	3.1 Complying Written; Arrangement (CWA); 3.3 Child Care Subsidy (CCS) Enrolment; 3.4 Fees and Payment of Fees; 3.13 Security Deposit; 5 Definitions.	Updated to reflect the changed legislative requirements.
		All	Updated to reflect the councils name change.
July 2023	4.1	3.4 Fees and Payment of Fees 3.12 Administration 3.13 Security Deposit	Updated to reflect the changed legislative requirements. Updated to also reflect the changes to Invoicing and Receipting.
August 2024	4.2	3 Procedures 3.4 Fees and Payment of Fees	Updated to reflect the changed legislative requirements.
August 2025	Next Review Date		