

Turnbull government new family day care measures crackdown on 'shonks', 'rorters'

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EXCERPTS

New measures to crackdown on dodgy day care providers will be introduced to Parliament this week, expected to save taxpayers \$250 million.

The changes will set new maximum rates and age limits for children accessing child care fee assistance in family day care services from March 13.

Education Minister Simon Birmingham said the measures would be a balance between a need to "stamp out unscrupulous family day care providers" while safeguarding legitimate operators.

He described the sector as a "hotbed for shonks and rorters".

It comes after a string of cases of providers rorting the system, including NSW woman Melissa Jade Higgins last month who was found guilty of fraud after claiming the Special Child Care Benefit at an inflated rate and receiving more than \$3.6 million she was not entitled to in benefits.

There have also been cases of the Grandparent Child Care Benefit being abused.

"It is not good enough that existing rules have been able to be 'worked around' and we will put a stop to millions and millions of bad money going out the door," the Minister said today.

The new measures would apply a maximum hourly rate of \$12.67 to the two benefits and if a family day care service charges above this rate, they would be ineligible for fee assistance

"In some areas family day care services are charging the Commonwealth more than three times their normal fees for this care that is wholly paid for by the taxpayer and is intended to support grandparents who have primary care of their grandchildren," Senator Birmingham said.

"There is clearly no justification for billing taxpayers three times the cost of providing care to a child whose primary carer is their grandparent than is being charged for care of a child whose primary carer is their mum or dad.

"Setting a maximum hourly rate will act as a deterrent to family day care services and stop them charging exorbitant fees where there is not a genuine liability and, I would expect, it will push a number of the rorters out of the system all together."

The Government will also axe child care fee assistance in the FDC sector for children aged 14 years or older, or children who attend secondary school.

"This measure has been carefully targeted at those who deliberately rort the system and to ensure legitimate family day care providers do not get caught up and penalised, including exceptions for children with a disability and those living in remote areas," Minister Birmingham said.

"FDC providers claiming for children in this age group claim, on average, 10 hours more family day care per week than younger children, with the vast majority provided by services considered to be at high risk of noncompliance.

"Put simply, the authenticity of these claims fail a most basic sniff test."

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Region: Australia and New Zealand ^[3]

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