

## EDUCATORS – FEE SETTING

### **POLICY**

The fee for child care in the Mt Alexander Family Day Care scheme is deregulated; this means that educators are able to determine their own fee rates and conditions. This includes hourly rates for services provided, food costs, travel costs and late fees.

Educators are responsible for making decisions about their own charging practices, and for informing their client families about fees. The coordination unit and educators may determine a Standard Fee Schedule, but individual educators choose whether to charge according to the Standard Fee Schedule, or to set their own fees for service (independent fee setting).

### **PROCEDURE**

#### Using the Standard Fee Schedule

The Standard Fee Schedule is a schedule of charging practices and conditions as determined by the scheme, which may be used by an educator in the carrying on of her service:

1. Educators are asked to advise the coordination unit where they are charging in according with the scheme's Standard Fee Schedule.
2. Educators are asked to advise the coordination unit where there are variations from the scheme's Standard Fee Schedule, even where the hourly fee is the same, e.g. where minimum booked hours or meal charges are changed.
3. The Standard Fee Schedule is reviewed annually and implemented at the beginning of each financial year, in conjunction with adjustments to CCB.

#### Setting an Independent Fee Schedule

1. The Co-ordination Unit has developed *A Guide to Independent Fee Setting* to assist educators in their decisions regarding what fees they should charge.
2. Independent (or non-standard fees) must be equitable for all clients with the same educator. Variations may be built into the schedule, e.g. weekend care, higher rate for babies. All families in any category must be charged the same amount for the same service.
3. Educators may determine suitable penalties for early arrivals and late pickups, providing the payment is equitable. Payments of CCB and CCR apply to the normal hourly rate payable, including any extra agreed hours, however they do not apply to any penalty charges. The penalty portion of the payment will appear on the time sheet as a separate item. Parent signature on the timesheet acknowledges that they are aware of the penalty fee (refer to *Administration – Late/Early Fee* policy).

**EDUCATORS – FEE SETTING - Continued**

Implementing an Independent Fee Schedule

1. Educators will adapt the scheme's pro-forma Individual Fee Schedule (*appendix 9*) for their particular service according to the following criteria:
  - To ensure families can easily access and compare information, the format of the schedule cannot be changed.
  - The fee schedule shall carry the scheme logo, name, address and contact information.
  - To easily identify the schedule as belonging to a particular educator, the name of the educator should be visually different from others and may include pictures/graphics.
  - The educator may use their first name in a title such as "Jenny's Day Care" for the schedule, business cards etc. Any title chosen must not reference a suburb or area, e.g. "Chewton Family Day Care".
  - For the purposes of calculating client entitlement to CCB payments, information on the fee charged must be provided as an hourly rate.
  - The information on the reverse of the schedule must remain the same.
  - The schedule will be submitted to the co-ordination unit for approval prior to use.
2. Educators should ensure that written booking agreements are in place with families.
3. The Parent/Guardian Agreement on the reverse of the Family Enrolment form sets out all applicable conditions for the service being provided.
4. It is each educator's responsibility to inform clients of the fees they charge, and to give them a written Fee Schedule. In all circumstances the client needs to be made fully aware of charging practices prior to the commencement of care.
5. The coordination unit will give out the fee guidelines at the time of enrolment outlining the fee process and indicating the standard fee. Families will be informed that the standard fee is the minimum chargeable but that as the fee is deregulated, educators are free to set their own fees. Families may be given a range within which fees fall.
6. It is the responsibility of the educator to justify the fee charged. The coordination unit will not enter into discussions relating to the value of an individual service compared to other services as related to fee charging practices.
7. Educators are free to choose when to raise fees, and should give families at least two weeks' notice of fee increases. In the interests of good relationships with families, we recommend:
  - that educators carefully consider the amount of a fee rise and the potential impact on families before making a decision.
  - that educators carefully consider both the timing and frequency of fee rises to avoid a perception that the fee is often raised. The scheme generally limits fee increases to once a year, timed to coincide with CCB indexation at the start of each financial year.

**EDUCATORS – FEE SETTING - Continued**

Charging for Public Holidays

Because of specific legislation for public holidays they can be different to other educator absences.

1. Educators may charge for public holidays, even if they are not available to work on the day; CCB and CCR are payable to parents for these days.
2. If an educator is working on the public holiday, she may choose to apply a higher fee to all parents using care on the day, but will charge absences at the normal hourly rate.
3. It should be noted that charging absences on a day when care is not being offered is an issue that parents debate most strongly; many services chose to increase fees overall, so that for example Monday families are not unfairly impacted.
4. Educators should explain clearly to parents before care starts about which if any public holidays will be charged, whether they will make themselves available to provide care on any public holidays, and about how much notice needs to be given on both sides regarding arrangements for each specific public holiday.
5. If a family chooses to attend another educator or service on a Public Holiday where the usual educator chooses not to work, the service strongly advises against charging for this absence, as the parents would incur a double payment for this day, with CCB/CCR being payable on only one of the service's fees.

Alternate Care

If a family accesses care with another educator, e.g. if their usual educator is sick or on holidays, the alternate educator should make sure that the family are aware of and agree to pay the rates set by that educator.

Debt Recovery

The Coordination unit will pursue debts owed on invoices for care, and may discontinue care for families until the bill is settled in full. The educator will not be reimbursed for loss of income during this suspension, but every effort will be made to replace children of defaulting families. Unless arrangements for prompt and complete payment are made by families, their places can be offered to other children on a permanent basis, and the defaulting family would have to reapply for a new place on payment of the bill.

Source: Guide to independent fee setting (2005) National Family Day Care Council of Australia. Children's Services Handbook (Family & Children's Services).

Legislation: Trade Practices Act 1974, National Competition Policy (1995)

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