Every Child
Our Future
Policy Issues and Options Paper
Developing a New Children’s Services Policy for Port Phillip
Womin jeka

Port Phillip Council recognises the rich Aboriginal and Torres Strait Islander heritage within this municipality and respectfully acknowledges the Yalukit Wuelam Clan of the Boon Wurrung. We pay our respects to their elders both past and present.

The Yalukit Wuelam clan of the Boon Wurrung are the first people of the City of Port Phillip, with a continued strong connection to the land. Yalukit Wuelam means ‘river home’ or ‘people of the river’, reflecting the original prevalence of the wetlands between the Yarra River and the foreshore. We acknowledge and uphold their continuing relationship to this land.

We also acknowledge the importance of the healthy development for our youngest residents, our Bubups, for they are the future of our municipality.
Message from the Mayor

We embrace difference, and people belong.

2017 - 2027 Council Plan Strategic Direction 1

The City of Port Phillip has been working closely with families, children and the early years sector to understand the challenges and opportunities for children in the City and how to best address them through a new Children's Services Policy.

On 5 September 2018, Council endorsed seven policy objectives developed directly by the community to strengthen support for our children's health and wellbeing. These objectives clearly articulate our community's expectations and require Council to assess how we are delivering against our commitments to be a trusted service provider, partner and broker, advisor and agent, and steward.

The new Children's Services Policy is a real opportunity to collectively shape the future of children's services in Port Phillip, and to identify new ways to meet the expectations of our community. Our aim is to respond to the constant changes in the legislative landscape, population growth, trends in contemporary practice, and the changing needs of working families.

This Policy Issues and Options Paper takes into account all of the input received in the June/July 2018 Stage 1 community engagement process, and in ongoing discussions with families and early years' service providers. I want to thank all who participated for their time and commitment to develop this policy and service response.

Council will hold another round of community engagement in March and April 2019 where we will invite you to comment on this paper and its recommendations.

We appreciate the wealth of knowledge and experience in our community and we look forward to continuing to draw on your expertise to deliver a future-ready and robust Children's Services Policy that enables all children in the City to reach their full health and wellbeing potential.

Yours sincerely,

Dick Gross
Mayor
City of Port Phillip
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Our Vision

"A children’s services environment that honours diversity, builds creativity and social connections and encourages all children and families to maximise their health and wellbeing now and in the future".

Children are our most valuable resource. Their health and wellbeing is one of Council’s top priorities. The City of Port Phillip Council Plan 2017-27 includes priority actions to ensure access to services that support the health and wellbeing of our growing community. As part of these priority actions, Council is developing a new Children’s Services Policy to guide how we support, deliver and invest in future services that will support the health and wellbeing of our community, specifically our children.

The City of Port Phillip supports the United Nations’ Convention on the Rights of the Child. Australia ratified the convention in 1990 and all levels of government have a duty to ensure that all children in Australia enjoy the rights set out in the convention. This includes the right of every child to be safe and to have adequate opportunities for growth and development, and to access quality health, child development and education services.

The experiences of early childhood are a vitally important part of each person’s development and these experiences have lifelong effects on health and wellbeing. A child’s mind develops fastest in their early years: a baby’s brain builds 700 new neural connections a second. Early childhood experiences have a significant and measurable impact on a child’s brain for life. It is crucial for all children to have access to the highest-quality, affordable early learning and development experiences. There is strong evidence that programs providing these experiences strengthen a child’s social, emotional, language, literacy, cognitive and self-regulatory skills.

This Policy Issues and Options Paper has been prepared to:

- help articulate a vision for children’s services in Port Phillip
- explore the issues and challenges facing the municipality
- suggest a range of recommendations and options that could be employed to address the issues and challenges
- help us to achieve our vision of all children reaching their full potential

What are Children’s Services?

The City of Port Phillip provides a range of diverse and multi-faceted services, programs and resources to support families and children during this key stage of life. When we talk about children’s services in this paper, we are talking about the range of early years’ services that provide education, learning and development experiences from birth to the commencement of primary school years, with a particular focus on:

- toy library
- childcare
- playgroup
- kindergarten

This Policy Issues and Options Paper will inform a new Children’s Services Policy and Municipal Early Years’ Plan that will encompass not only the four key areas (childcare, kindergarten, toy libraries and playgroups) addressed in this paper, but the broader suite of early years’ services (e.g., Maternal and Child Health and Family Support Services). The policy will improve outcomes for children by connecting and supporting families across services.
Listening to our Community

The development of this Paper has been informed by a series of consultations with families, children, service providers and staff. This was undertaken through a number of channels including one-on-one interviews, group discussions, reference groups and surveys.

Council provided a range of opportunities for the community to provide ideas about how the City of Port Phillip can deliver services that support the health and wellbeing of children and their families. More than 200 adults and 70 children under the age of five participated in these engagement opportunities.

Through the consultation, we’ve listened to residents, committees of management, children and private industry. Engagement methods included:

- targeted discussions
- have your say online engagement forum
- art-based workshops
- facilitated workshops
- a final group workshop
- reference groups and focus groups with service providers

The Children’s Services Reference (CSR) Group was established with representatives from community-managed, council-run and private/independent services including childcare, kindergarten, toy libraries and playgroups. The CSR Group met monthly from July 2018 to March 2019, to provide information and advice and to inform Council’s decision-making on Children’s Services.

What We Have Heard

Families who took part in the community consultation were generally happy with the variety of services across the municipality. A key concern was the need for more information about what is available within their local community, so families can make better choices.

Children participating in early years’ services were invited to design the type of services they would like. It was clear that the inclusion of natural elements in their playtime was important, as well as the safety of their environment.

Staff who participated at a workshop indicated that play was an important part of the learning and development process of children and that the quality of the environment in which the children play was critical to the successful development of a thriving child.

As a result of the community engagement process, Council has established a high-level summary of issues and community priorities (refer to Attachments 1 and 2), and identified key stakeholder groups that have potential to be affected by changes to the policy. We have used this feedback and the ideas generated to create our new policy objectives, options and recommendations within this report.

Council will continue to engage with the community on the policy options presented in this paper and consider this input when making decisions about the future policy.
Why do We Need a Children’s Services Policy?

Access to quality education lies at the heart of healthy human development. Continuing access to meaningful learning and development experiences is also critical to long-term improvements in productivity, the reduction of intergenerational cycles of poverty, preventive healthcare, the empowerment of women and reductions in inequality.

Enabling participation and inclusion to services for children requires supporting universal access to services that are affordable, safe and high-quality. This type of service environment means better outcomes for children, especially our most vulnerable.

- Affordable services – All children and families can afford to access services without causing financial stress
- Safe services – All services adhere to and are compliant with relevant regulations and legislation to ensure all children are protected
- Quality services – All services focus on integration, relationships and partnerships, and meet quality standards.

The First 1000 Days

A person’s development and progression are heavily influenced by what happens in the first few years of their life, but especially in their first 1000 days (the period from conception, throughout pregnancy, and a child’s first two years). The rapid pace of physical and brain development in the early years creates opportunities and risks that influence a child’s future health and wellbeing.

The architecture of the brain is shaped through an ongoing process that begins before birth. However, the most significant stage of brain development takes place after birth as a result of interactions with the environment. By the time a child is three years old, 90% of their brain is fully developed. Sensory pathways such as those for basic vision and hearing develop first, followed by early language skills and then higher cognitive functions. Babies’ brains require stable, caring, interactive relationships with adults for healthy development.

Starting from infancy, routine assessments of a child’s development, social and emotional wellbeing, vision, health, oral health, language and communication skills are essential. Inadequate nutrition, coupled with factors such as poverty, housing instability, smoking, family violence, drug and alcohol use, and lack of access to quality education and support are strong predictors of poor child developmental outcomes.

The Effect of Disadvantage on Early Years’ Development

Universal access provides for a quality kindergarten program to be available for all children in the year before formal schooling. All levels of government are working together through a National Partnership to increase participation of Indigenous children, as well as children experiencing vulnerability and disadvantage, in kindergarten programs.

The majority of Australian children are doing well developmentally and most are well prepared to begin school. Those who are less well prepared tend to be Indigenous children, children living in very remote areas, children from non-English speaking backgrounds, and children living with disadvantage.

Historically, disadvantage was simply defined as poverty, that is inadequate resources or low income. More recently, disadvantage has come to be viewed as multi-dimensional, best captured by three overlapping issues: income poverty, deprivation and social exclusion.

- Income Poverty can be absolute or relative. Absolute poverty refers to people who do not have sufficient income to pay for such basic necessities as food and housing. Relative poverty refers to people whose income is low relative to the incomes of other people in their community.
- Deprivation is not being able to sustain the minimum acceptable way of life in a person’s own society because of lack of resources.
- Social exclusion highlights the role of institutional structures, community attitudes and society practices in creating barriers to a person’s participation in the key activities of society. Social exclusion may be measured across a number of
A child born into disadvantage is more likely to have health problems and develop behavioural issues. They are also more likely to face housing and food insecurity, have lower levels of educational attainment and experience less supportive parental relationships.

The report, *Protecting Victoria’s Vulnerable Children Inquiry*, clearly establishes the risk factors that make children vulnerable to disadvantage. These include:

- history of family violence
- alcohol and other substance misuse
- mental health problems
- intellectual disability
- parental history of abuse and neglect
- situational stress

While all children benefit from quality early years programs, children experiencing disadvantage have the most to gain. Children from disadvantaged backgrounds are more likely to face developmental challenges. The value of early intervention cannot be overstated as a tool to mitigate negative effects on children’s physical wellbeing and motor development, language and literacy development, cognitive development, general knowledge, social and emotional development, and executive functions.

There is good evidence that attending kindergarten is associated with improved outcomes, including a lower incidence of developmental vulnerability by the time a child starts school.

### Barriers to Access for Vulnerable and Disadvantaged Children and Families

In Australia, centre-based early childhood education and care is provided by a collection of private for-profit, local government and not-for-profit providers. According to the *Access to Early Childhood Education in Australia: Insights from a Qualitative Study (2014)* report, the most significant access barriers for early years’ services are cost of services, lack of trust in formal care, distance to the services and lack of availability of places.

While most families of young children are well supported and make good use of early years’ services, those who are most in need of the services do not always access them, and it is these children who are at increased risk of poor health and development outcomes. Research tells us that children from culturally and linguistically diverse backgrounds (CALD) are less likely to access early years’ services because of fee structures and lack of understanding about early years’ education.

Families in poverty, families who have recently arrived in Australia and families where English is not their first language often do not understand the Victorian system of early years’ education. These factors limit the capacity of families to provide their children with adequate learning opportunities and assumptions are sometimes made by these families that if kindergarten is not part of school, then it isn’t important. Parental mental health (especially depression) can also reduce attendance at services.

A recent report from the Kids in Communities Study found certain factors can influence whether disadvantaged communities do well or poorly in early childhood development. Some of the factors relevant to Port Phillip are:

- **Gentrification** - Higher income families are moving into disadvantaged areas, resulting in displacement
- **Housing affordability** - Perceived affordability positively impacts early childhood development
- **Housing tenure** - Higher proportion of renters negatively impacts early childhood development
- **Public housing** - Perceived presence negatively impacts early childhood development
- **Childcare costs** - Perceived affordability affects use
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Investment in the Early Years is an Investment in the Economy

Local governments can support child development through policies that ensure access to quality play and learning for young children. Investment in early years' services delivers benefits for individuals, families and the community. The US National Scientific Council on the Developing Child found that "Policy initiatives that promote supportive relationships and rich learning opportunities for young children create a strong foundation for higher school achievement followed by greater productivity in the workplace and solid citizenship in the community."[iv]

The Centre for Community Child Health outlines a number of considerations for policy and practice to ensure every child is provided with the best opportunities to thrive throughout their lifetime.[v] These include policies that:

- Connect a young person to services throughout their life, from early years to youth development to adulthood
- Adopt an integrated and coordinated approach
- Invest in research and evidence-based practice
- Educate and empower residents, families and children
- Provide service-based interventions to promote effective parenting
- Address the environments and social determinants of health by reducing social inequities

Investment in quality early years services not only supports the development of cognitive, social, emotional, physical and motivational skills, but also drives later learning and achievement, which in turn contributes to the human capital that underpins the economic and social wellbeing of the broader community.[vi] When basic health and early childhood programs monitor the development of all children, problems that require attention can be identified in a timely fashion and intervention can be provided. If we fail to provide timely support, the long-term costs are considerable. As social problems worsen, they become more difficult and more expensive to remedy.[vii]

In addition to the impact on children living in Port Phillip, investment in quality early years' services has a long-term economic impact for our local communities, as quality early years' services contribute to the economy with their facilities, employment and training, and enable parents to participate in the workforce.[viii]
Policy Context

All levels of government in Australia have a key focus on and investment in outcomes for children and the provision of children’s services. This creates an early years’ sector that is regulated by a complex array of legal, educational, financial, and industrial policies, at federal, state and local government levels.

All Early Childhood Education and Care approved providers are accountable for ensuring children are protected from harm, and their opportunities for learning and development are maximised. All providers are regularly audited and monitored to ensure they are meeting their obligations from child safe standards to occupational health and safety. Some of the specific regulations include:

- Occupational Health and Safety Act 2004
- Children’s Service Act 1996
- Education and Care Services National Law Act 2010
- Education and Care Services National Regulations 2011
- Child Safe Standards and Reportable Conduct Scheme 2017
- National Quality Framework (NQF) and National Quality Standard (NQS)

National Context

In 2009, the Council of Australian Governments endorsed *Investing in the Early Years – A National Early Childhood Development Strategy*, which aimed to ensure that by 2020 all children have the best start in life to create a better future for themselves and for the nation.

The Commonwealth governs the new Family Assistance package, which underpins the Commonwealth child care fee assistance, including the Child Care Subsidy (CCS) and the Additional Child Care Subsidy (ACCS). The Family Assistance Law also provides for the approval of child care providers to administer child care fee assistance on behalf of families.

The National Quality Framework (NQF) is the result of an agreement between all Australian governments to work together to provide better educational and development outcomes for children. It provides an integrated and unified national system that aims to drive continuous improvement in the quality of early years’ services and works with regulatory authorities.

National Quality Framework for Early Childhood Education and Care

The NQF has a number of key features.

- Establishment of the Australian Children’s Education and Care Quality Authority (ACECQA), a national body responsible for guiding the implementation and management of the national system.
- The Education and Care Services National Law (National Law) and the Education and Care Services National Regulations (Regulations), a national system for the regulation and enforcement of the National Quality Standards, legislated in each jurisdiction and administered by state and territory regulatory authorities (such as Victoria’s Department of Education and Training) under the guidance of ACECQA.
- Setting the National Quality Standards (NQS), a national benchmark for the provision of quality services, including an approved learning framework that guides the development of quality early childhood programs (for example, Belonging, Being and Becoming: The Early Years Learning Framework for Australia).
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- A national quality rating system that combines the seven quality areas with a five-point rating scale, to describe the quality of care in individual services across Australia.

Seven National Quality Standards

The National Quality Standards aim to promote the safety, health and wellbeing of children, and focus on achieving outcomes for children through high-quality educational programs, and increasing families' understanding of what distinguishes a quality service. Comprising seven quality areas, each service receives a rating from 'Significant Improvement Required' to 'Excellent', as well as an overall rating.

![Diagram of Seven National Quality Standards]

National Competition Policy

The National Competition Policy (NCP) is an Australian Government microeconomic reform program. The main purpose of NCP is to ensure government services do not have a competitive advantage over privately owned competitors. These reforms include a commitment to review legislation that restricts competition, and apply competitive neutrality to government business activities.

Where Council subsidies are required to meet certain social or economic objectives, a requirement under the NCP is the application of a public benefit test to provide evidence and accountability for any public policy that restricts competition. Policies for which a public benefit cannot be demonstrated must be repealed or modified so that they do not reduce competition.

State Context

The State Government regulates and assesses all early years’ services such as childcare, family day care, kindergarten and out of school hours care services against the National Quality Standards. Some early years’ services are regulated directly under the Victorian Children’s Services Act 1996.

The Compact Agreement

The State Government’s Compact Agreement (2017-2027) is an agreement between the Victorian state and local governments, who together provide collective stewardship of the early years' system. The Compact Agreement states that in addition to councils' responsibility as planners, they also have responsibility for coordination and delivery of service for children and families.
The Compact Agreement focuses on the following outcomes:

- All young children are engaged, confident and creative learners
- Families feel well supported by high quality, inclusive services for children and families in the early years
- Families are connected to culture, actively participate in community life and can access help when and where they need it
- All children are safe, cared for and experience optimal health and development
- Vulnerability, location and disadvantage do not determine outcomes for young children

The Compact Board has agreed on three state-wide priorities for the first year, focused on supporting developmentally vulnerable children and families in early years’ services. These priorities are to:

- increase the participation of children in out of home care and children known to child protection
- increase participation of Aboriginal families
- improve the identification and referral of children and families at risk of family violence

Other Relevant State Government Plans and Reforms

There are a number of other State plans and reforms aimed at supporting healthy childhood development:

<table>
<thead>
<tr>
<th>Theme</th>
<th>Relevant Plan or Reform</th>
</tr>
</thead>
</table>
| Services should support vulnerability and disadvantage and target services to support those who need it most (e.g. CALD, ATSI, children with disabilities, etc.) | - Early Childhood Reform Plan  
- Roadmap to Reform: Strong Families Safe Children  
- Victorian Aboriginal and Local Government Action Plan  
- Child and Family Services Funding Reform |
| All children can access quality and inclusive services | - Early Childhood Reform Plan  
- Roadmap to Reform: Strong Families Safe Children  
- Victorian Aboriginal and Local Government Action Plan  
- Family Violence 10 Year Plan |
| All children are safe from abuse | - Child Safe Standards  
- Reportable Conduct Scheme  
- Roadmap to Reform Strong Families Safe Children  
- Family Violence 10 Year Plan |
| All children are engaged and confident learners, ready for kindergarten, school and their lives ahead | - Early Childhood Reform Plan |
### Local Government Context

The Victorian Auditor General’s Report, *Delivering Local Government Services*, provides a rationale for local governments to deliver services in alignment to the Local Government Act.

<table>
<thead>
<tr>
<th>Rationale</th>
<th>Explanation</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutory obligation</td>
<td>Council is legally required to provide the service.</td>
<td>Rates, roads, sanitation, animal management.</td>
</tr>
<tr>
<td>Statutory discretion</td>
<td>Legislation gives council the option to deliver a service, but it is not mandatory for council to do so.</td>
<td>Household recycling collection, economic development, community grants.</td>
</tr>
<tr>
<td>Community expectation</td>
<td>Due to market failure or community demand, Council is expected to provide the service and it would be difficult for council to exit the service.</td>
<td>Sport and recreation services, libraries, citizenship ceremonies.</td>
</tr>
<tr>
<td>Council discretion</td>
<td>Although it is not legally required to do so, Council provides the service to meet an identified community need that other organisations may be able to provide.</td>
<td>Markets and salesyards, sister-city relationships.</td>
</tr>
</tbody>
</table>

Councils do not have any statutory obligations to provide or to directly deliver any children’s services. It is at the discretion of each local government to determine its own local needs and priorities. The Municipal Association of Victoria articulates five main roles for councils in the children’s services sector:

- **Planning and coordination** – Acting as a key coordination point and community planner in early years
- **Service provision** – Delivering a range of early years programs, activities and initiatives
- **Facility planning** – Planning, providing and maintaining a range of early years infrastructure
- **Advocacy** – Lobbying and advocating to state and federal governments and other key stakeholders on behalf of early years’ programs, young children and their families
- **Strengthening community capacity** – Facilitating community connections and participation in decision-making, including vulnerable families.

The Centre for Local Government’s report, *Best Practice Guideline for the Planning and Development of Child Care Facilities*, provides an assessment of the role local governments play in the provision of childcare services.

- **Whole-of-community strategic planner and partner** – In addition to providing a vision for the community, councils should consider a supply and demand analysis of current and future use, as well as consideration of the timing and staging of developments, and to plan with other levels of government for identified needs.
- **Enabler** – Councils can help enable providers to move into their municipality through a number of mechanisms, including information about supply and demand, financial assistance and economic development planning.
- **Provider** – There is significant variation across local government in terms of whether, and how, they become providers. Some councils provide a full range of early years’ services, others have adopted a short-term provider role, others do not provide any services.
- **Statutory land use planner** – As a land-use planner, local government has the capacity to integrate and enhance the process for the development of childcare centres, making it easier for providers.
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This report was followed up by the Guidelines for the Planning and Development of Child Care Facilities, which outlined the important role local governments play in ensuring communities have the children’s services they require through:

- Land use planning – Identifying land that may be used for childcare services
- Collaboration – Supporting education, integrated planning and delivery, and providing guidelines and assistance for providers

Port Phillip Context

In 2005, Council commissioned a Best Value Review of Children’s Services. The review found that the existing childcare system in Port Phillip was not sustainable and was unable to meet current and future demand. The review also identified that childcare centres require significant subsidies to operate and did not have the ability to review their assets, build capacity or offer affordable care to those who need it most.

The Review panel recommended that for all these reasons, a new approach to delivering childcare and creating more places in the City was critical. The Childcare Policy 2008 was developed to address three policy outcomes for childcare:

- That families in Port Phillip would be able to access childcare when they needed it
- That childcare would be affordable and of high-quality
- That childcare would be provided by a mixed sector of council, community and privately-operated centres

The Policy established an Affordability Subsidy and Quality Incentive Program (Quality Subsidy) to support access and increase quality in childcare centres. Council worked to attract private and not-for-profit providers who expressed an interest in establishing childcare centres in the City and committed over $5 million to a Council capital works program to expand the childcare service system to meet demand.

Since the adoption of the Childcare Policy 2008, a rapid succession of state and federal government reforms has resulted in a misalignment between the City’s current service provision model and the changing legislative framework. Additionally, the childcare-centric policy is not in step with the shift towards a more integrated early years’ service system.
Where is Port Phillip Now?

The Council invests in Children’s Services and sets priorities for the future, in alignment with our commitment to our 2017-2027 Council Plan Strategic Direction 1 “We embrace difference, and people belong”.

Council’s Current Role in services

The role Port Phillip currently plays in supporting children’s services includes:

- **Service and facility provision** – Council directly delivers a range of children’s services, including as an approved Early Years’ Manager of five childcare services. Council also provides maternal and child health services, and buildings for playgroups, toy libraries and kindergartens delivered by not-for-profit providers.

- **Advocacy** – Council lobbies and advocates to state and federal governments on behalf of children’s services, young children and their families, for example advocating for increased early intervention services.

- **Planning** – Council acts as key community planner, identifying the early years as a key platform in the Municipal Public Health and Wellbeing Plan. For example, we identify high growth areas, and ensure future demand for childcare places will be met. Council also assesses planning applications for new early years’ services facilities.

- **Strengthening community capacity** – Council facilitates community connections, community engagement, education programs and service integration and collaboration, for example supporting networks of early years’ services providers and the Parent Information Program.

Children in Port Phillip

The national development indicators are outcome measures for young children captured through the Australian Early Development Census (AEDC). The AEDC measures the development of children in Australia in their first year of full-time school. It consists of five key domains:

- **Physical Health and Wellbeing** – Children’s physical readiness for the school day, physical independence and gross and fine motor skills

- **Social competence** – Children’s overall social competence responsibility and respect, approach to learning and readiness to explore new things

- **Emotional maturity** – Children’s pro-social and helping behaviours, and absence of anxious and fearful behaviour, aggressive behaviour and hyperactivity and inattention

- **Language and cognitive skills (school-based)** – Children’s basic literacy, interest in literacy, numeracy and memory, advanced literacy and basic numeracy

- **Communication skills and general knowledge** – Children’s communication skills and general knowledge based on broad developmental competencies and skills

For each of the AEDC domains, children receive a score between zero and ten, where zero is most developmentally vulnerable. Children scoring in the 10th percentile and below are considered vulnerable. Recent AEDC data indicates that Port Phillip is doing well overall; however, we have seen an increase in several areas, as well as an increase in vulnerability across one or more domains. Below are the figures for Port Phillip.
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<table>
<thead>
<tr>
<th>AEDC National Development Indicators in City of Port Phillip</th>
<th>2009 (Percentage of vulnerable children - %)</th>
<th>2012 (Percentage of vulnerable children - %)</th>
<th>2015 (Percentage of vulnerable children - %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical Health and Wellbeing</td>
<td>7.4</td>
<td>5.9</td>
<td>5.4</td>
</tr>
<tr>
<td>Social competence</td>
<td>4.0</td>
<td>4.1</td>
<td>5.7</td>
</tr>
<tr>
<td>Emotional maturity</td>
<td>5.6</td>
<td>5.0</td>
<td>5.7</td>
</tr>
<tr>
<td>Language and cognitive skills (school-based)</td>
<td>3.5</td>
<td>2.6</td>
<td>3.9</td>
</tr>
<tr>
<td>Communication skills and general knowledge</td>
<td>4.0</td>
<td>3.7</td>
<td>4.2</td>
</tr>
<tr>
<td>Vulnerable on one domain</td>
<td>13.5</td>
<td>11.9</td>
<td>13.9</td>
</tr>
<tr>
<td>Vulnerable on two or more domains</td>
<td>6.7</td>
<td>5.5</td>
<td>6.0</td>
</tr>
</tbody>
</table>

Socio-Economic Status of our Households

Socio-economic factors can have a significant impact on health and wellbeing. Port Phillip’s Socio-Economic Indexes for Areas (SEIFA) score is 1.069, ranking the City as the eighth most advantaged municipality in Victoria. However, there are areas within the City that have extreme levels of disadvantage (particularly around public housing estates), including in one instance, one of the lowest scores in the country (surround Doncaster Street public housing estate).

In 2019, the suburbs with the highest disadvantage were South Melbourne [1005] and St Kilda-West St Kilda [1058].

In comparison to Greater Melbourne, Port Phillip has a larger proportion of high-income households (those earning $2500 per week or more), with a median household income of $1,386. Overall, 29.8% of households earned a high-income weekly, while 44.6% earned a low-income weekly. Middle Park (42.2%), Albert Park (40.4%), and Port Melbourne (37.9%) had the highest proportion of high income earners. South Melbourne (19.2%), St Kilda (16.4%) and Ripponlea (16.6%) had the highest proportion of low income earners.

Income Status of Families with Children

In all neighbourhoods, there are higher proportions of high-income families ($2,500 or more per week) than low-income families ($650 or less per week). The neighbourhoods with the highest proportion of low-income families are:

- South Melbourne – 22.1%
- St Kilda – 16.4%
- East St Kilda – 13.8%
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Work Status of Families with Children

- Working families (where both parents or the single parent are working full or part-time equivalent) comprise 62.7% of all families in Port Phillip.
- In 2016, 17.7% of all families in Port Phillip with children aged 0-4 years were working full-time.
- In 2016, Port Phillip was leading the Greater Melbourne area with 71.8% (6,785) of women with dependent children participating in the labour force.

The neighbourhoods with the highest proportion of working families were:

- Elwood / Ripponlea: 68%
- Port Melbourne: 66%
- BalACLara / East St Kilda: 64%

Additionally, 21.5% of single parent families had the sole parent working full-time. However, a higher proportion were not in the labour force as 44.4%. The neighbourhoods with the highest proportion of single parents not in the labour force were South Melbourne - 63%, Port Melbourne - 54%, and St Kilda Road - 50%.

Housing and Rental Stress

A household is typically described as being in ‘housing stress’ if it is paying more than 30% of its income in housing costs. The ratio of 30:40 is often used as a benchmark – that is, if households that fall in the bottom 40% by income spend more than 30% of their income on housing, they are defined as being in housing stress.

Low-income families have also emerged as a top four priority group for housing support in Port Phillip. More than 8,000 residents are living in housing stress, more than 6,000 residents in rental stress, and 2,500 residents are on the public housing waiting list. Low-income families have emerged as a top four priority group for housing support in Port Phillip.

Housing affordability stress is much more common in families who are in private rental accommodation, compared to those paying off a mortgage. It is also more common in one-parent families, families with young children, families where the parent was born overseas, and families with the lowest income level. This is important to note, as Port Phillip has a very high proportion of renters (49.2%).

With the forecast growth and increase in density, ensuring access to quality early years’ services for all members of our community, including our most vulnerable (disability, disadvantage, CALD, transient), will become increasingly challenging.

Early Years’ Services across Port Phillip

Port Phillip has a healthy and diverse early years’ services sector, much of which has been supported by Council through access to facilities or funding, as well as through many community volunteered hours.

Services include:

- Community support services
- Maternal and Child Health
- Kindergarten
- Libraries (storytime)
Every Child, Our Future: Policy Issues and Options Paper

- Childcare
- Family day care
- Home-based respite
- Toy libraries
- Playgroups
- Holiday and vacation programs
- Consulting suites for allied health professionals
- Adventure playgrounds
- Sports and recreation programs
- Immunisation services
- Family support services
- Parenting education programs

Early Childhood Services

*As at December 2018

There are ten early years’ facilities that are stand-alone centres, five centres that are co-located with other community amenities and four integrated community hubs.
The distribution of services is spread across the municipality, with a north and south cluster of services. The service locations align to the location of 0-4 year olds across our municipality, but with a potential gap in services where significant growth is set to occur (Fishermans Bend, St Kilda Road and St Kilda neighbourhoods).

Point of Entry to Early Years’ Services

Maternal and Child Health

The Maternal and Child Health (MCH) Service works with families to care for babies and young children. It is a free service for all Victorian families. Visits to MCH nurses occur at key stages of your child’s development. The visits focus on child and family wellbeing. Visits happen at:

- home, 2, 4, and 8 weeks
- 4, 8, 12 and 18 months
- 2 and 3.5 years

The service also runs first-time parent groups to help parents who have had their first child, and provides support to families who need extra help, like families with babies of low birth weight or families where mental health is an issue.

This extra support is also free and families can a number of services such as home visits from the MCH nurse to help with serious sleep and settling problems.

Orange Door

Orange Door, originally founded as Child FIRST, was set up under the Children Youth and Families Act Vic (2005) to be the entry point for all Family Services support programs, and an anonymous referral point for persons to report concerns for the wellbeing of a child. Orange Door is the access point for women, children and young people who are experiencing family violence, or families who need assistance with the care and wellbeing of children to access the services they need to be safe and supported.

This referral service is a single point of entry connecting the vulnerable members of the Port Phillip community with the family support services that are provided by Council.

Children’s Services Waitlist

Council is currently the register point for a centralised Children’s Services Waiting list for 13 centres across the municipality:

- Ada Mary A’Beckett Children’s Centre, Port Melbourne
- Barring Djingang Kindergarten, Southbank
- Bubup Nairn Children’s Centre, St Kilda
- Bubup Womindjeka Family and Children’s Centre, Port Melbourne
- Clarendon Children’s Centre, South Melbourne
- Clark Street Children’s Centre, Port Melbourne
- Coventry Children’s Centre, South Melbourne
- Eldon Road Children’s Centre, St Kilda
City of Port Phillip Every Child, Our Future: Policy Issues and Options Paper

- Elwood Children’s Centre, Elwood
- North St Kilda Children’s Centre, St Kilda
- Poets Grove Family and Children’s Centre, Elwood
- South Melbourne Child Care, Albert Park
- The Avenue Children’s Centre and Kindergarten, Balaclava

Childcare places are offered aligned to the Australian Government Priority of Access Guidelines, which all children’s services are required to comply with as part of their funding agreement.

Access to Information

In Australia, families have a high reliance on early years’ services to support their living and working responsibilities. Nationally, around 50% of children aged under 12 years receive some sort of non-parental care. Empowering parents through information provision is a common theme throughout the community feedback, and evidence shows supporting workers to access the diverse early years’ service range that is on offer effectively contributes to the economy.

Parent Information Program

Council offers approximately twelve free parent information sessions annually to support positive parenting techniques across a range of topics from toileting, body safety and protective behaviours, through to school readiness.

Child and Youth Directory

Council’s website provides information on children’s services in the municipality, such as the Child and Youth Directory.

Port Phillip, in collaboration with Glen Eira, Kingston and Stonnington, maintains a directory of all child and youth support services throughout the municipality. Interactively filtered through a criterion of service urgency (see below), the directory guides the user to services that can service their need, within a geographic area.

Looking for help?

- URGENT HELP or Complex Needs
  Services designed to assist with complex problems which require thorough and intensive support and responses

- DIRECT SUPPORT
  Services designed to work with moderate and multiple problems when more focused support is required

- SOME SUPPORT
  Services designed to resolve a problem in its early stages to stop it getting worse

- JUST CURIOUS
  Services that provide information, education and engagement opportunities, designed to prevent a problem from happening
**Investment by Council in Early Years’ Services**

Council provides subsidies to support community-managed children’s services. Childcare services currently receive a Quality Subsidy. Kindergartens and toy libraries both receive three different subsidies (operational, low income, and membership/participation). Currently, these subsidies are not acquitted to specific outcomes or KPIs.

**Investment in assets**

Council’s current investment in infrastructure is significant. Council is developing an Early Years Facility Strategy to help identify and address the cost of infrastructure and its ability to meet current and future service need.

**Cost to Council over 10 years by service area**

*please note the affordability subsidy does not apply from 2018/19 financial year onwards, due to the introduction of the new Childcare Subsidy that came into effect 1 July 2018.*

The most significant cost to Council per annum over the past 10 years has been the childcare service area.

<table>
<thead>
<tr>
<th></th>
<th>Council-run</th>
<th>Community-run</th>
<th>Private</th>
<th>Independent-profit</th>
<th>Not-for-profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost to Council</td>
<td>$2.072m*</td>
<td>$1.078m*</td>
<td>$0</td>
<td>$0</td>
<td></td>
</tr>
</tbody>
</table>

*Most centres pay for their own utilities (but not all). A majority of the cost is associated with Quality and Affordability Subsidies. The costings assume that the infrastructure and maintenance levies paid by centres cover Council’s costs, which is not the case.*

Council has sought to address some of the additional subsidy costs through a business efficiencies project. It is intended that this will be realised in the 2019/20 financial year and expected to reduce the additional subsidy that has historically been provided to Council-run childcare services.

**Community-Managed Centres**

Council directly subsidises childcare services to make them affordable and accessible to the whole community. Council indirectly subsidises childcare services through its partnerships with external organisations (community-managed centres) by way of...
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leasing Council facilities at a discounted rate. In May 2016, Council sought advice regarding National Competition Policy (NCP) compliance and the subsidies provided to community-managed centres. Council was advised they were compliant with the policy in subsidising community-managed centres, as they are not-for-profit providers.

Council Run Centres

In 2017/18, Council conducted a financial assessment to evaluate Council subsidies in accordance with the guidelines provided by the Office of the Commissioner for Better Regulation (OCBR). This assessment based on four Council-run childcare services shows that Council subsidised these centres (before making an allowance for competitive disadvantage) to the sum of $2.31million in 2017/18, as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>$m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational losses</td>
<td>0.73</td>
</tr>
<tr>
<td>Council overheads allocated (ex accommodation)</td>
<td>0.80</td>
</tr>
<tr>
<td>Cost paid direct by council</td>
<td>0.79</td>
</tr>
<tr>
<td>Accomodation provided</td>
<td>0.40</td>
</tr>
<tr>
<td>Subsidies less levies received</td>
<td>(0.30)</td>
</tr>
<tr>
<td>Level of Council subsidies – 2017/18</td>
<td>2.31</td>
</tr>
</tbody>
</table>

* As of 30 June 2018

** Barring Djinang excluded as it opened in this financial year and is still in a start-up phase

Under the NCP, Council would be required to reduce level of subsidies and/or increase fees to cover the subsidised amount. Council is able to take into account a number of considerations in working towards NCP compliance:
- Whether there is a public interest that would support the subsidising of services
- The cost of implementing measures to reduce the level of subsidies
- Whether Council is at a competitive disadvantage in providing the services compared to other operators

NCP is an important consideration guiding the selection of options outlined in this Policy options paper. Further, the process of collecting and analysing the data to assess NCP compliance highlighted a number of areas where potential operational improvements need to be addressed.

Approach and Timeline for addressing the NCP

The Children’s Services Policy development process is intended to be complete in 2019 and will enable Council to finalise its position on its future role in children’s services and begin the transition towards compliance with the requirements of the National Competition Policy.
Collaborative Networks

Over the years, Council has supported a number of initiatives that have succeeded in developing close working relationships with a range of service providers. This has included providing facilities, subsidies, and grants for services and specific projects. Networks that support collegiate and professional networking include:

1. Kindergarten Network
2. School Transition Network (comprising schools and kindergartens within the municipality)
3. Childcare Network (made up of Council- and community-managed services)

In addition, toy libraries have built relationships amongst themselves and Council meets regularly with community-managed childcare and kindergarten centres. This has resulted in a base level of collaboration between Council and service providers that can be built upon.

Council’s relationships have been more effectively managed with service providers who are in receipt of Council facilities or funding. Council has fewer relationships with private or independent providers of childcare or kindergarten services, and has not traditionally had regular network meetings with toy libraries or playgroups. With the establishment of new networks, Council can play a leadership role in assisting the sector to provide a more joined-up and easy to navigate system for families.

Quality of Services

National Quality Standard Ratings in Port Phillip

The Australian Children’s Education and Care Quality Authority (ACECQA) is an independent statutory authority that assists governments in implementing the National Quality Framework for early childhood education and care throughout Australia. The scores for Port Phillip’s childcare and kindergarten centres show that the education delivered within services in the municipality are of varying quality.

National Quality Standard ratings for Childcare and Kindergarten in Port Phillip

<table>
<thead>
<tr>
<th>NQS Score</th>
<th>Number of childcare &amp; kindergartens</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>1 centre</td>
</tr>
<tr>
<td>Exceeding</td>
<td>16 centres</td>
</tr>
<tr>
<td>Meeting</td>
<td>14 centres</td>
</tr>
<tr>
<td>Working towards</td>
<td>6 centres</td>
</tr>
<tr>
<td>Provisional</td>
<td>1 centre – opening April 2019</td>
</tr>
</tbody>
</table>

*ACECQA ratings - correct as of January 2019

Port Phillip has one of only nine centres in Victoria rated excellent – Clarendon Children’s Centre. While a clear majority of centres in the municipality (82%) are meeting or exceeding all National Quality Standards, there are six centres (two of which are community-managed, and in Council facilities) that are working towards the standards, and may require additional support (refer to Attachment 4 for further information).
Cluster Management in Port Phillip

Kindergarten Cluster Management (KCM) was introduced in Victoria in 2003 to strengthen the management and delivery of community-based kindergarten programs and to provide kindergarten staff with professional employment arrangements. The Early Years Management (EYM) Policy Framework was introduced in 2016 and replaced the KCM. EYM is a four-way partnership between families, the EYM, local government and the Department of Education and Training.

An EYM partnership is a long-term arrangement between an EYM organisation and a kindergarten service. It is driven by the opportunity to improve outcomes for children and for the mutual benefit of all stakeholders in the community. In an EYM arrangement, the Committee of Management (CoM) becomes a Parent Advisory Group (PAG), and the role of Approved Provider, Employer and Funded Agency moves to the EYM provider.

Some key statistics from DET regarding EYM and kindergarten services in Victoria include:

- Just under 60% of eligible kindergarten services (community-based, not-for-profit) are in EYM arrangements.
- 33% of all funded kindergarten services (approx. 2400 services in Victoria) are in EYM arrangements.
- 47% of all kindergarten enrolments are in an EYM-managed service.
- Of 16 services that were re-assessed from 2013 to 2017 after moving to EYM from standalone provision, nine of these increased their assessment and rating outcome (57%), compared to 58% of funded services not part of an EYM.
- Analysis of data for all services in EYM that were re-rated indicates they were more likely to improve in quality than non-EYM services (45% had an improved quality rating compared to 38% of other services).

Other Barriers to Access in Port Phillip

- As identified through Council’s Health and Wellbeing Strategy, a higher proportion of Port Phillip families are being assessed for and are accessing Family and Community Support Services.
- Port Phillip has a lower kindergarten participation rate than the Victorian average (82.1% compared to 96.2%). This may be partially due to population transience, and low participation by CALD communities.
- Need to ensure all services provide fully inclusive, welcoming and supportive environments for all children and families.
What Lies Ahead?

Through this paper, the Council seeks to identify key challenges for how we can support children and families in the City, and ensure we have the best plan for our community’s future needs. This means facing the current and future challenges, and harnessing the opportunities. These challenges and opportunities include:

- population growth and future demand
- affordability
- appropriate infrastructure
- compliance and fitness for purpose
- policy and legislative change
- financial sustainability of the sector
- service planning and monitoring
- emerging trends in early years’ learning

Population Growth and Future Demand

With a 2017 population of just over 110,000, Port Phillip is growing rapidly. We are forecast to grow by more than 25,000 residents by 2027, increasing to an expected population of just over 145,000 residents by 2031, growth of more than 50%. We will experience unprecedented growth in Fishermans Bend, significant forecast growth in the Domain precinct (around the new Anzac station), as well as a healthy population increase in existing Port Phillip areas.

Population growth will not be uniform across the City, with St Kilda Road, Sandridge/Wirraway and Montague neighbourhoods projected to grow significantly. This will increase demand for and access to Council services and amenities in these areas. Health inequities and wealth disparity may be intensified if people find it difficult to access quality programs, services and amenities that support childhood development.

Population growth will drive an increase in urban density. Port Phillip will see more medium to high density residential development and continued pressure on land use. As housing density increases, all residents, but particularly families with children, will require access to suitable services.

0-4 Year Olds in Port Phillip

The total population of children aged 0-4 years is growing rapidly and is forecast to increase from 4,888 in 2016 to 6,348 in 2031 (a total of 1,460, or almost 30%). Future growth in this age group is expected across most of the municipality with the South Melbourne, St Kilda Road and St Kilda neighbourhoods showing the greatest increase. With the further development and establishment of Fishermens Bend, Montague, and Sandridge/Wirraway are forecast to show proportional population growth.
neighbourhoods will show a decline in this age group by 2031 (Port Melbourne and Middle Park/Albert Park), with one remaining stable (Elwood/Ripponlea).

Children 0-4 years by precinct

<table>
<thead>
<tr>
<th>Geographic area</th>
<th>2006 Number</th>
<th>2011 Number</th>
<th>2016 Number</th>
<th>2021 Number</th>
<th>2026 Number</th>
<th>2031 Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Port Phillip</td>
<td>3912</td>
<td>4580</td>
<td>4888</td>
<td>5399</td>
<td>5541</td>
<td>5026</td>
</tr>
<tr>
<td>East St Kilda neighbourhood</td>
<td>700</td>
<td>919</td>
<td>912</td>
<td>960</td>
<td>971</td>
<td>970</td>
</tr>
<tr>
<td>Elwood - Ripponlea neighbourhood</td>
<td>788</td>
<td>907</td>
<td>817</td>
<td>979</td>
<td>990</td>
<td>962</td>
</tr>
<tr>
<td>Middle Park - Albert Park neighbourhood</td>
<td>667</td>
<td>711</td>
<td>644</td>
<td>650</td>
<td>612</td>
<td>621</td>
</tr>
<tr>
<td>Port Melbourne neighbourhood</td>
<td>719</td>
<td>804</td>
<td>882</td>
<td>987</td>
<td>947</td>
<td>946</td>
</tr>
<tr>
<td>South Melbourne neighbourhood</td>
<td>789</td>
<td>418</td>
<td>475</td>
<td>555</td>
<td>628</td>
<td>680</td>
</tr>
<tr>
<td>St Kilda neighbourhood</td>
<td>587</td>
<td>701</td>
<td>714</td>
<td>869</td>
<td>875</td>
<td>826</td>
</tr>
<tr>
<td>St Kilda Road neighbourhood</td>
<td>161</td>
<td>233</td>
<td>321</td>
<td>382</td>
<td>448</td>
<td>504</td>
</tr>
<tr>
<td>Montague***</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>25</td>
</tr>
<tr>
<td>Sandridge***</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>17</td>
</tr>
<tr>
<td>Wirraway***</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4</td>
</tr>
</tbody>
</table>

**Source from Forecast (2019, 2021, 2026, 2031)
***Source from Fishermans Bend Indicative Populations by Age, supplied by Land and Use Population Research (2017)

Demand for Services by Workers

Utilisation of early years' services in Port Phillip are impacted by both resident and worker populations. In Council-run childcare services, residents average approximately 70% of the utilised places, with 30% used by workers/non-residents. Port Phillip's 83,387 worker population (refer to Attachment 5) has an impact on service demand, which impacts access to early years' services, especially childcare and kindergarten.

We also expect to see a significant increase in our worker population, which will have an impact on the demand for early childhood education and care services.
Current and Future Demand by Service Area

An audit in 2018 was undertaken to understand current capacity and places available within the market across all early years’ services to establish current and future demand for each of the service areas (refer to Attachment 5 and 6).

Toy Libraries

Council’s current service provision benchmark is one toy library for every 2000 children. The data tells us there will be a requirement for an additional toy library from 2020, and a further 15 by 2031. Toy libraries currently operate on average three hours a week. Consideration should be given to increasing funding for additional operating hours and toys in order to increase access and availability to current services in Port Phillip, and address the service gap in Fishermans Bend going forward. Community feedback regarding toy libraries noted that opening outside of work hours may increase accessibility for some families with parents who are working. Functionality considerations for storage and similar facilities will also need to be factored in.

Kindergartens

Kindergarten services can be either sessional (15 hours of funded kindergarten per week) or extended hours (a kindergarten program where extended hours of care may be offered).

Key service levels identified to forecast the future demand for kindergarten are as follows:

- Of all four year olds in the municipality, 81% are predicted to attend kindergarten in a childcare setting and 39% are predicted to attend a stand alone kindergarten (either sessional or extended hours).
- Of those four year olds attending kindergarten, 76% are predicted to attend 15 hours per week of government-funded and parent-subsidised sessional kindergarten, where the rooms are used 5 days per week.
- The other 29% are predicted to attend extended hours education and care kindergarten programs, where the average time spent is three days per week.
- In addition, it is estimated that there will be a demand generated by workers living outside Port Phillip who wish to utilise childcare near their employment. This has been estimated as an average addition of 20% of resident demand for all neighbourhoods except Montague, which has been estimated at 50% because of its proximity to a significant-sized business area in Fishermans Bend.

Our kindergartens currently have limited capacity to support an additional 202 places by 2031. Further, three year olds will be eligible for funded kindergarten places over the next few years. This is likely to increase demand for kindergarten services specifically outside of childcare. Consideration needs to be given to increasing kindergarten facilities and their capacity to cater for funded three year olds in Port Phillip.

Playgroups

Council’s current service provision benchmark is one playgroup for every 50 children aged 0-3 years. By 2031, an additional 17 groups or sessions (115 in total) will be required. The majority of this new demand will be in the Fishermans Bend area. However, there are far fewer playgroups operating in the northern end of the city, as they do not have the available, dedicated space that is in both Elwood/Ripponlea and St Kilda East/Bluecliffs neighbourhoods.
Childcare

According to a recently commissioned report, childcare places in the municipality are primarily vacant on Mondays and Fridays and within the 3-5 year old age group. Also, 65% of current vacancies are only available in Port and South Melbourne neighbourhoods compared to neighbourhoods in the middle and southern end of the city. Therefore, even though there is a sufficient geographic spread of services, there is demand in East St Kilda, Elwood and Ripponlea and St Kilda neighbourhoods.

Forecast demand shows that no further places will be required until 2031 (at 145 places), but the vacancies may not exist where they are required. Vacancies in Port and South Melbourne may be able to assist with the growing population in Fishermans Bend to 2031.

While it is not possible to confidently predict the future supply of childcare places across Port Phillip beyond known Development Applications (DA) that are approved, we can assume the market will likely continue to address a high proportion of demand for childcare places for workers and residents in Port Phillip.

Affordability

Socio-economic factors have a significant impact on health and wellbeing. Focusing on access, affordability and quality in early years’ services alone has not addressed the City’s lower than state average participation in kindergarten services. Addressing barriers to participation is crucial to meeting the emotional, social, health and educational developmental needs of all children. Ensuring access, participation and retention in quality early years’ services for all members of our community, especially our most vulnerable (those facing disability, disadvantage, transient lifestyles, or from culturally and linguistically diverse backgrounds) will become increasingly challenging, especially with the increase in growth and density outlined above.

Subsidies provided by both federal and state governments are in place to reduce the costs of early childhood education and care services, to both enable workforce participation and to support universal participation. Subsidies include childcare subsidy, kindergarten funding and fee subsidy, early start, funding inclusion support packages and Health Care Card subsidies.

Affordability of Childcare

According to a study conducted by Domain, Port Phillip has consistently high childcare fees compared to the Melbourne average.¹ Childcare fees in the City cost on average $133.90 (refer to Attachment 3). Cost of care is one of the main reasons one in five parents do not participate in the workforce, especially where more than one child requires care.²

Significant reforms to the way early education and care services are funded were introduced by the Commonwealth government in 2018. These included a move to sector neutral, unit-based funding and the promotion of a market-based response to deliver early years’ education and care services, and the tightening of the Activity Test requirements for Childcare Subsidy (CCS) introduced from 1 July 2018. In response, in 2018/19 Port Phillip introduced a transition safety net through the Early Education Grant (EEG) for families who may be disadvantaged by these changes, and to support access in early years’ education and care for all children.

Council and service providers have been funding the gap in fees and costs to ensure that children experiencing vulnerability have continuity of attendance at childcare. This is usually in the form of debt write off, which can have an impact on financial viability.

There is an acknowledgement that centres require support to help families navigate the existing funding and subsidy system available to them, and that there are times that families suffer from situational vulnerability that may be a contributing factor to the debt write offs mentioned above.

Affordability of Kindergartens

Funded four-year-old kindergarten is free or low-cost for families who are eligible for state government funding. Eligible three year olds can access early start kindergartens funded four year old kindergarten. Outside of the group who are eligible for these subsidies, the parent contribution cost of kindergarten in Port Phillip varies across centres, ranging from $550 a term to $1,182.50. This is considered to be relatively affordable (refer to Attachment 3). However, our very low participation rates in kindergarten services in Port Phillip need to be addressed in relation to affordability and other access factors.
Affordability of Toy Libraries

Families can access toy libraries by purchasing an annual membership that allows them to borrow toys. All toy libraries give significant discounts for Health Care Card holders; however, there is not a consistent approach or clear support for any other vulnerable or low-income groups.

Affordability of Playgroups

Across Port Phillip, community playgroups are offered at little to no cost (some require a small payment to cover insurance, tea, coffee, and toy purchase costs). Supported playgroups are also available at no cost, and have a facilitator who is employed to coordinate and deliver weekly sessions that provide support to parents and children.

Appropriate Infrastructure

The Children’s Services asset portfolio comprises a diverse building stock, with a varied history that includes many buildings that originally served other purposes, most notably past residences. The following statistics highlight some of the challenges we face:

- 59% of the portfolio is over 50 years old, with four of those buildings being over 100 years old
- Only three facilities are less than 10 years old
- 53% have undergone significant renovations since they were constructed, in many cases to convert the buildings to early years’ service from other uses, but 64% of those were undertaken in the 1980s or earlier
- Only 4% were purpose-built as early years’ services facilities
- 32% were originally residences that have been converted.

Age of Council buildings

Redevelopment of buildings already converted from other purposes, many over 40 years ago, can be difficult and expensive to achieve compliance and functionality requirements. Much of the portfolio requires significant work and expense to comply with both the National Construction Code and Disability Discrimination Act (DDA) compliance.

When buildings are constructed or redeveloped, they are made compliant to the regulations of the time. The main reason buildings fall on compliance is that gradual and constant changes in compliance regulations occur regularly. While Council endeavors to
keep up with changes that have a minor impact on the building, there are many changes that require significant works that would impact the operation of the centre.

Risk levels will remain, and in some cases will increase over time. Significant upgrades to the portfolio are urgently required to reduce the risk profile. Functionality issues have also been identified in the recent Fit-For-Purpose audit. These issues impact operational efficiencies, environment, and safety standards of the facilities.

An Asset Summary (refer to Attachment 7) outlines asset by asset the compliant and functionality issues, costs to remedy, and capacity of the asset to meet compliance standards and future demand.

Compliance and Fitness for Purpose

Early years infrastructure must provide high-quality facilities that enable the effective delivery of connected, continuous programs and services for children into the early years of school. Facilities must adhere to specific details for safety, security, licensing and regulatory compliance, and the National Quality Standards, to achieve a high-quality rating, and for maintenance and occupational health and safety reasons. Facilities are also required to comply with the National Construction Code and relevant Australian Standards, and in some instances to higher standards where specifically identified for service requirements.

Fitness-for-purpose is a critical component to be able to accurately assess Council’s assets in alignment to service requirements. Buildings may be structurally sound but unable to meet modern expectations and requirements to enable service delivery. All who use the space need to feel a sense of ownership and identity with their environment. It is often older buildings that are structurally sound, or heritage listed, and have have significant cultural and social attachment for the community, that are the most difficult to adapt to meet these needs.

Site planning and building design should also consider the ability to add future services, considering possible future site access points, the relationships between services and circulation through the planned facility.

Kindergartens and Childcare Centres

Sessional Kindergarten facilities and long-day childcare centres operate from venues that are licensed with the Federal Government as education and care facilities. The licence prescribes the maximum number of children that can attend the facilities at any one time. For example, a centre that is licensed for 28 places can accommodate a maximum of 28 children. The number of places that a centre can be licensed for is determined by the eligible floor area of the children’s play room (3.25m² per place) and the outdoor play area at the centre (7m² per place).

Kindergarten, long-day childcare and family day care centres must comply with the facility requirements specified in the National Education and Care Act and Regulations (2011 and 2012 respectively), Building Code of Australia (BCA), Disability Discrimination Act (DDA), Occupational Health and Safety Act and Regulations (OHS&S) and various Australian Standards. These requirements relate to the size and design of children’s playrooms, outdoor play areas, fencing heights, administration rooms, amenities, washing and laundry facilities, food preparation facilities, disability access and safety of children and employees.

Minimum 66 place centres are required for co-contribution funding from the State Government for facility renewal.

Toy Libraries

- A toy library in a shared space needs minimum 35m² storage room and 80m² display and collection room
- Ideally has a separate entrance
- Other facility needs include large adult and children’s toilets, accessible toilet and changing facilities, kitchen, storage, outdoor spaces
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**Playgroups**

- Dedicated playgroup spaces should have indoor outdoor flow, ideally located next to a park or have an outdoor space incorporated into their design
- Connecting doors if more than two playrooms
- Space requirements include playrooms, adult and children's toilets, disability toilet, kitchen, storage, outdoor space, break out area for parents to sit, and good visibility

**Policy and Legislative Changes**

Since the last Children's Services Policy was developed (2006), there have been 19 state and federal legislative changes. The most recent changes to the Commonwealth Childcare Subsidy led to the adoption of the City's Interim Childcare Policy 2018, which will remain in place until a new Children's Services Policy is developed.

Ongoing federal and state reforms in the early years' sector (for example, the introduction of funded three-year-old kindergarten) will require changes to the way Port Phillip children's services operate, to address gaps for those in our community who need it most. In addition, changing legislation poses continued challenges for Council’s ageing infrastructure.

**Financial Sustainability of the Sector**

Financial sustainability is achieved when service and infrastructure levels and standards are delivered according to a long-term plan without the need to significantly increase fees or significantly reduce service offering. Responsible long-term financial sustainability ensures:

- Public resources are distributed fairly between current and future ratepayers, and this will be achieved by maintaining a balanced budget or operating surplus
- Funding is made available for the cyclic maintenance, replacement and upgrade of assets to meet community expectations
- All services are in a healthy financial position
- Consistent delivery of essential community services and the efficient development of infrastructure
- Current and future Council fees consider stability and predictability for the community

The increasing cost of providing services coupled with the increasing demand stemming from population growth will become a significant challenge for Council to address. Childcare centres currently operating on Council premises (whether they be community- or council-operated) are all subsidised by Council to some degree. Early years services and infrastructure require significant, ongoing investment to ensure they are compliant and aligned to legislative changes.

**Funding Priorities**

The state government is focusing funding towards the following early years infrastructure priorities:

- Increasing infrastructure capacity for kindergarten programs for children in the year before school
- Promoting integrated service delivery where families can access early childhood education and care, health and development and family services at one place
- Improving access to local and responsive early childhood services for children from vulnerable and/or disadvantaged families
It seeks to achieve these priorities through the Children’s Facilities Capital Program, which has three streams of major grants funding for early learning centres, each with identified minimum requirements. These are summarised in the table below.

### Requirements for Major Grants Funding

<table>
<thead>
<tr>
<th>Requirements</th>
<th>% of cost funded</th>
<th>Capped amount funded</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Integrated facilities</strong></td>
<td>Minimum 66 places for kindergarten, plus LDC, MCH, allied services, and multi-purpose space</td>
<td>40%</td>
</tr>
<tr>
<td><strong>New facilities</strong></td>
<td>Minimum 66 places for kindergarten, plus either LCC, 3Y0 kindergarten, MCH or playgroups</td>
<td>75%</td>
</tr>
<tr>
<td><strong>Upgrades to facilities</strong></td>
<td>Must increase places or improve the quality of education</td>
<td>75%</td>
</tr>
</tbody>
</table>

Within Fishermans Bend, an Infrastructure Contributions Plan will be developed to support facility and service development.

### Service Planning and Monitoring

According to a recent Victorian Auditor General’s Report, state and local government need to take a more active role in estimating demand for and supply of services (including the long-term availability of kindergarten infrastructure) to ensure that government objectives are achieved, and that there is timely delivery of services and related infrastructure for local communities.

Private and independent childcare and early learning centre service provision has expanded over the last 10 years in line with demand for services. Despite this, Council will need to continue to monitor and track the sector’s ability to meet growing demand, as well as ensuring inclusive, quality services continue regardless of who the providers are.

There are currently gaps in monitoring non-regulated services, specifically toy libraries and playgroups. Although all organisations are legally responsible for self-regulation, there may be a role for Council in supporting education and capacity-building initiatives that support a safe environment for all children.

### Data Collection

According to the Auditor General’s Report, more needs to be done to improve the collection of system-wide information on participation and the reasons for under-participation in certain services. The Department of Education and Training has introduced positive initiatives to improve such issues as kindergarten participation by vulnerable groups. However, neither DET nor councils have a robust understanding of the major reasons for low participation in both maternal child health and kindergarten services within particular local government areas. Port Phillip is one of these, due to a lack of standardised data management systems and non-mandatory service reporting and no participation in centralised kindergarten enrolment systems to support and track against demographic statistics.
Integration, Co-location and Collaboration

Service integration can be defined as individuals and organisations working together to respond to specific problems and to deliver outcomes that are less effectively achieved by working alone. Integration can occur locationally (for example through children and family hubs) or virtually.

Research indicates that disadvantaged children and families are far less likely to participate in services. Research also shows that children from disadvantaged families are the ones to show the most benefit from connection to early years’ services. Integration helps make connections between children from disadvantaged families and the services they require, faster and more often. It helps children’s services who have concerns about families outside their own area of expertise to help families make the necessary connection and referral to relevant services.

Siloed service systems have difficulty effectively responding to the multiple and complex needs of increasing numbers of families with young children. Integrated service delivery is an efficient and effective way of delivering the diverse services required by families. Some of the ways of achieving integrated services is through the development of integrated hubs, and supporting staff to work in integrated ways.

A recent states’ and territories’ commissioned report on improving educational outcomes for children states that collaboration between parents, communities and early childhood professionals ensures optimal opportunities are available for enhancing children’s development in the formative stage of life.

Co-location

There are many ways in which a joined-up sector can operate. Schools have been identified as key sites for integrated and co-located models of service, as they can be more than places for learning. This is particularly relevant in growth areas. Schools have potential to be used by different groups and for purposes that benefit the whole community. To maximise value, the State Government is prioritising the transformation of many education facilities into integrated community centres that can bring people together, connect local services and foster community pride.

The future directions for DET are to:

- Continue to identify opportunities for co-location of education facilities for early childhood, school, training and TAFE to help support lifelong learning.
- Support the transformation of schools into community facilities and improve the quality of services and education for students and their communities.
- Strengthen school networks by encouraging the sharing of facilities across schools in local areas to promote equity and integration within the community.

Collaboration

Port Phillip currently champions collaborative practices through the Collaborative Practice Framework 2016.

Greater collaboration can bring significant community benefits:

- **Single-entry points** – While multi-entry points are very useful for families with complex needs, a single-entry point is also useful for parents who only want to provide their details once, for example, a centralised waiting list for childcare.
- **Standardised referrals** – Relevant organisations can standardise processes for referrals into or out of services, obtaining consent from parents, and information sharing.
- **Collaborative industry information sharing** – The new Child Information Sharing scheme (CIS) and the Family Violence Information Sharing Scheme (FVIS) will enable professionals from health, human services, justice, policy and education to share information to promote children's wellbeing and safety and better protect all Victorian Children.
Collaboration to develop a more navigable service system requires quality referrals. A quality referral is one in which service providers understand the extent to which a family will need assistance in accessing services (e.g., the difference between providing contact details for a service and following up with a family to see how the referral went). Knowing when and how to do a quality referral requires training and experience.

Emerging Trends in Early Learning

Play as Early Learning

Play is essential for child learning and development. The importance of play is noted in the United Nations' Convention on the Rights of the Child. There is also a strong evidence base regarding the importance of play in a child's development. Play is important for optimal brain development. For example, play stimulates the production of proteins in the part of the brain responsible for organizing, monitoring and planning for the future. While play is important for all children and young people it is particularly crucial for children aged under 3. Ninety percent of brain development occurs during before the age of 3. Access to quality play and learning opportunities during this time has the strongest effect in supporting the development of the child and laying a solid foundation for lifelong learning and optimal development into young adulthood and beyond.

There is a large volume of literature demonstrating that play is associated with the development of language and literacy, sociability and mathematical ability. Services that enable children to play are fundamental to early childhood development. Play occurs within a context and services that support play are a key method of engaging with and building the capacity of vulnerable families, fostering community connection for the parents and carers of young children and providing access to play equipment for children. Playgroups were the first movement to support developmental play and over time, three types of playgroups have emerged - community, supported, and fostered. A unique feature of playgroups is providing a place for families to meet other families in their community and for playgroup members to strengthen connections and to support each other. Playgroups alongside the development of playgroups, the toy libraries initiative has grown nationally and today provides unique access to child-appropriate materials and equipment in an environment where costs and space can act as significant barriers to private access. Presidents of toy libraries in Port Phillip report that toy libraries are attractive to families with small apartments or houses with a lack of space for toys, which will be of increasing importance for local families, especially as density increases.

Nature Play

There are increasing concerns about the disconnection between children and nature. Playing outdoors is important for developing capacity for creativity, symbolic play, problem solving and intellectual development. Outdoor play has clear physical benefits for developing children, including helping children to acquire gross motor skills, eye-hand coordination and helping to prevent obesity.

Interest is growing in nature play for Australian children. The not-for-profit organisation Nature Play operates across Australia with a mission to make nature play a normal part of childhood again. It provides a range of resources for parents, organisations, and educators to understand the benefits of nature play and learn how to incorporate it into children's lives. Private enterprise is also responding to the growth of interest in nature play by offering facilitated playgroups in bush and beach locations across Melbourne (for example Eco Explorers).

Bush settings for children to play in can range from completely natural (the temporary spaces for kindergarten education in the north of Melbourne), to more landscaped (the Ian Potter Foundation's Children’s Garden in Melbourne's Royal Botanical Gardens). A number of councils across Australia are beginning to offer natural playgrounds instead of the traditional play equipment (see the Morialta Nature Playground in the City of Adelaide Hills and Braithwaite Park in the City of Vincent).

The Department of Education and Training encourages childcare and kindergarten providers to include natural elements in their outdoor areas, and to provide increased opportunities for sensory play. More recently, bush kindergarten has been included as a kindergarten-approved service by DET. Bush kindergartens exist in different pockets of Melbourne. Two popular models are dedicated bush kindergartens (where children enrol in the bush kindergarten) and bush kindergartens that are excursions (where children who are enrolled in a local kindergarten regularly visit a bush kindergarten location). For bush kindergarten excursions,
parents typically drop off and pick up their children from the bush kindergarten location, instead of their usual kindergarten. Beach kindergarten seems less developed than bush kindergarten, however one of Port Phillip’s kindergarten services is currently experimenting in this space.

National Quality Standards and the Importance of Outdoor Learning

Outdoor learning spaces are a desired feature of learning environments across Australia. They offer a range of possibilities not available in indoor play. Play spaces in natural environments include plants, trees, edible gardens, sand, rocks, mud and other elements from nature. These spaces invite open-ended interactions, spontaneity, risk-taking, exploration, discovery and connection with nature. They foster an appreciation of the natural environment, develop environmental awareness and provide a platform for ongoing environmental education.

The NQS Quality Areas: Three states:

Physical environments refer to both sustainability and the physical aspects of outdoor environments that facilitate childrens learning.

Standard 3.2 – The environment is inclusive, promotes competence, independent exploration and learning through play.

Standard 3.3 – The service takes an active role in caring for its environment and contributes to a sustainable future.

Port Phillip is home to a large foreshore and a relatively large amount of open space per head of population for an inner urban council. Though a significant amount of this space is crown land, Council has a good working relationship with the state government to advocate for the use of this land. In addition, we already have one kindergarten that is experimenting with beach kindergarten and another childcare centre offering nature play opportunities nearby their centre. As yet, Council has not developed nature playgrounds, but has the capacity to convert existing playgrounds as they age and require replacement. There are several sites that would create ideal spaces for children’s natural play spaces – the foreshore, Albert Park Lake (which has significant wildlife), park areas with native and indigenous plantings, and the St Kilda Botanical Gardens.

Our increasing density will mean these types of play environments will become more vital.
Policy Recommendations

Policy Objectives

The Port Phillip community and early years’ service providers worked closely with Council to develop key policy objectives to underpin the development of the new Children’s Services Policy. The policy objectives articulate and prioritise the goals for children’s services in the City.

1. Council will work with partners to ensure that every child, regardless of their abilities or background, will have access to affordable, safe, accessible, quality early years’ services to support development to their full potential.
2. Council will understand current and future needs of families in the city and influence the provision of early years services to meet these needs.
3. Early years’ services will be financially sustainable and consistently aligned with relevant policies and legislation at the local, state and federal level.
4. Council will encourage collaboration across all early years’ services.
5. Families will have access to the services and information they need, at the times they need it, to make choices appropriate for their needs.
6. Early years services will be supported by safe, accessible, contemporary, fit-for-purpose, sustainable facilities and environments.
7. Children will have access to natural environments that allow them to learn about and experience play in nature. This includes natural environments within early years’ services.
Policy Objective One

Council will work with partners to ensure that every child, regardless of their abilities or background, will have access to affordable, safe, accessible, quality early years’ services to support development to their full potential.

What the Community Has Told us

- Cost of care can be prohibitive – Early years’ services and care needs to be affordable for families. Parents have reported that childcare costs are prohibitive to them returning to work, particularly where they require placement for more than one child in early years’ services. The costs can be even more prohibitive where the childcare subsidy is not sufficient to cover the higher costs of care required for children with disability.

- Support access for all – Identified as a priority by the Port Phillip community. Of the 212 community members who participated in the Stage 1 community consultation, 32 identified that access to high-quality and low-cost services should be available to all children who live in the municipality.

- Target and support vulnerability – Strong endorsement [68 participants] in the ratings given to support children facing disadvantage or vulnerability to access services.

- Support professional development and training – To enable staff and volunteer committees of management (CoM) to be across all regulations and legislation, as well as build pedagogical practice to enable quality services.

- Support improved user experience – As a measure of both access and quality.

- Low kindergarten participation by children from migrant and refugee backgrounds – Identified by teachers and educators.

Where Do We Need to Focus?

There is now an established market for early childhood education and care services in Port Phillip, which seems to be meeting demand, however within that there are certain market failures.

- Financial barriers for disadvantaged and vulnerable children.

- Barriers for children and families with multiple and complex needs, whom the evidence tells us benefit the most from participation.

- Absence of clear and transparent information about the market. It is currently difficult to ascertain what services are available, their service offering, for example, specialisation services, educational philosophy (Steiner, Montessori or Reggio Emilia), and fees comparison.

It is Council’s overall responsibility to work with funders and providers to ensure access for all to quality and safe services. There is a wide and varying market delivering services and Council plays a part in that market. However, there are clear areas for Council to focus on.

- Ensuring the market can continue to deliver quality and safe services within resources and capacity.

- Addressing low kindergarten participation in Port Phillip.

- Work to mitigate and overcome any other failures in the future.
Policy Recommendations

Policy recommendation 1.1

Create a new grant program to provide a financial subsidy for families experiencing ongoing and situational vulnerability and disadvantage. This subsidy will be available for all eligible City of Port Phillip community members accessing any Early Years’ Service in the City.

Policy recommendation 1.2

Support Child Safe Standards implementation across all early years’ services (especially toy libraries and playgroups) through an education and capacity-building program.

Policy Recommendation 1.3

Fund an early intervention outreach role to work with relevant service providers in the City (child protection, homelessness, mental health, family violence) to increase participation of vulnerable children in early childhood education services, especially kindergarten services.

Policy recommendation 1.4

Develop a Children’s Services website that will provide information on all children’s services in the City. This will include services provided, vacancies, specialist expertise, fee levels, educational approaches, target groups served and more. Participation in the website should be a condition for services to receive Council grants.
Policy Objective Two

Council will understand current and future needs of families in the city and influence the provision of early years’ services to meet the those needs.

What the Community Has Told us

- **Access to flexible services** — Especially flexible hours of operation (times, days and venues offered), but also the size of services.
- **More sessional kindergarten** — With greater clarity around options for childcare, sessional kindergarten and extended hours kindergarten.
- **Equitable spread** — Services across the municipality.
- **Planning** — Available and current data for now and the future.

Where Do We Need to Focus?

**Childcare** — There will be a requirement for 146 additional childcare places required by 2031. (This figure does not consider development applications for future services, which are likely to be able to meet this demand.)

**Kindergarten** — There were no additional four-year-old Kindergarten places required in 2018. However, by 2021 there will be 40 places required, 28 places in 2026 and 12 places by 2031. The recent change to provision of funding for three-year-old kindergarten will mean a further increase in demand for kindergarten places. This will need to be factored into future planning, especially for facility requirements to cater for both funded three- and four-year-old kindergarten.

**Playgroup** — There are no additional playgroup requirements until 2026 when there will be 10 additional sessions, and 21 additional sessions by 2031. These can operate from dedicated facilities, functional multipurpose spaces or private spaces.

**Toy Library** — Two additional toy library spaces or services will be required by 2031, with an additional demand for one service from 2023. An increase in operating hours and functionality of existing facilities would likely meet this future demand. A dedicated toy library facility in Fishermans Bend should be considered.

Note — future demand will be considered within integrated hub settings (refer to Policy Objective 6).

Policy Recommendations

**Policy recommendation 2.1**

Review and update the service model for toy libraries to include:

- Review funding model and operating subsidy to increase operating hours at current toy library sites to increase access and availability to services for residents now and into the future in existing Port Phillip areas.
- Develop one new toy library site in Fishermans Bend to service the growing population, as part of an integrated hub.

**Policy recommendation 2.2**

Monitor, track, encourage and report on the market response to childcare demand.

**Policy recommendation 2.3**

Review and update the service model for playgroups to include:

- A dedicated, or several functional multipurpose, playgroup space/s to be considered in Fishermans Bend, as part of an integrated hub.
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- An additional playgroup or children's multipurpose space in the north and of Port Phillip to be considered (South Melbourne or Port Melbourne neighbourhoods).

- Make available the playgroup rooms in Bubup Nairrm Family and Children's Centre across five days of the week and transition other programs into other Family Services Rooms in the building to increase availability and capacity.

Policy recommendation 2.4

With the addition of funded three-year-old Kindergarten, consider transitioning current Council assets into kindergarten facilities to meet future demand where relevant, especially where the private market is meeting the demand/need for childcare services in that area.
Policy Objective Three

Early years' services will be financially sustainable and consistently aligned with relevant policies and legislation at the local, state and federal level.

What the Community Has Told us

- **Enable long-term planning for viability** – For example, longer lease arrangements with tenants.
- **Targeted funding** – For those that need it most, taking into consideration the unique attributes of each service and its participants, with linked data/evidence.

Where Do We Need to Focus?

- Implementing business efficiencies to reduce the operational subsidy Council invests into childcare services.
- Council should be compliant and seek competitive neutrality in its business operations.
- Council should seek a return on Council assets where relevant, including both social and economic benefits.
- Council should review all its current subsidies and levies (operational, maintenance and infrastructure) to ensure they are delivering the best return on investment, with equitable cost allocation, articulated outcomes and KPIs.

Policy Recommendations

**Policy recommendation 3.1**

Council to decide the future service model for childcare services from five policy options (A, B, C, D, E).

A. Council continues operating and subsidising childcare services as is.
   - This option is likely to be non-compliant with the National Competition Policy.
   - It is unlikely Council will be able to maintain and renew all existing assets to meet current and future demand, functionality and compliance issues.
   - Council subsidies will continue to be untargeted and not based on need.
   - Some assets will not be fit-for-purpose or compliant with legislation.
   - Could explore co-funding or lease-to-own opportunities with tenants of council-owned facilities.

B. Council continues operating services, but at full cost recovery.
   - This option is likely to meet National Competition Policy requirements.
   - Requires a review of infrastructure and maintenance levies to ensure they cover all renewal and utility costs.
   - Will require increased fees at Council-run childcare services to allow for cost recovery ($5-$7 per day).
   - Explore co-funding or lease-to-own opportunities with tenants of council-owned facilities.
   - Continued support for community managed centres.

C. Council ceases operating Council-run childcare services and transition services to not-for-profit providers.
   - This would include full cost recovery rental arrangements, and utilities at cost to new owner.
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- Meets all industrial obligations under relevant agreements and legislation.
- This could include purchase, co-funding or lease-to-own opportunities with not-for-profit providers.
- Operational savings to Council
- Asset sales to support transition arrangements

D. Council ceases operating Council-run services and sells or transitions assets for other Council purposes.
- This assumes that the market will meet current and future demand.
- Uncertain as to how market failures will be overcome.
- Operational savings to Council
- Asset sales to support transition arrangements

E. Council chooses a hybrid model based on above options.

Policy recommendation 3.2

Review all funding, subsidy and levy arrangements to ensure return on investment and KPI deliverables for acquittal purposes.
Policy Objective Four

Council will encourage collaboration across all early years’ services.

What the Community Has Told us

During the community engagement, families talked about their lack of knowledge of the services that are available, and how to engage with them. The children’s services sector can feel fragmented and difficult to navigate for families. Research shows that a sector that is better integrated and provides easily navigable pathways for families can increase early diagnosis of issues and create better outcomes for children. Fifty-four participants specifically talked about navigating the service system, with suggestions about how this might be improved. The themes included:

- Reducing the administrative requirements for accessing services, including the management of service waitlists and greater transparency about how they operate.
- Greater transparency and assistance to educate the community about how the children’s services sector operates, what services are available, how they are funded and how families can both access services and transition between different services.
- Making it easier for parents to access services through co-locating or visiting between services. For example, having allied health professionals and/or Maternal Child Health nurses visit playgroups, and sharing information about transition to school requirements with parents of children in kindergarten.
- Supporting parental involvement in services, with evidence quoted from recent research that supports the achievement of better outcomes for children when parents are involved.
- Building community partnerships across the sector, helping to build transitions and better integration between services.
- Workforce professional development opportunities being developed across the sector, and consistent approaches to workforce across Council services.

Where Do We Need to Focus?

- Explore options to enable, facilitate and navigate, for example outreach roles to assist providers and families with system/service navigation.
- Virtual integration through strong connection between early years’ services.
- Council to lead a targeted and collaborative practice model with agencies and partners for the purposes of integrated services across Port Philip to support referral, system navigation and early intervention, especially in the areas of South Melbourne and St Kilda.
- Work with Enhanced Maternal and Child Health nurses, local organisations (Port Phillip Community Group, Launch Housing, St Kilda Legal Aid, Family Support Services) and the Department of Health and Human Services to identify disadvantaged families and new and emerging communities who may not be accessing kindergarten for their eligible three- and four-year-old children, to maximise attendance, participation and retention.

Policy Recommendations

Policy recommendation 4.1

Facilitate collaborative and collegiate relationships with early years’ networks.
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- Identify professional development needs for educators (including assistance in sourcing bulk discounts for training and providing free training room space).
- Childcare staff to visit and learn from centres in the municipality or within Melbourne that are consistently receiving an 'Exceeding' or 'Excellent' NQS rating, encouraging a 'community of practice'.
- These recommendations to apply to all providers, including independent and private providers.
- Support of Educational Leaders and networking across services.

Policy recommendation 4.2

Support the development of a kindergarten network to provide collaborative practice and integrated services that inform pedagogy and practice, for example approved provider responsibilities, professional development, quality referrals and transition to school programs.
Policy Objective Five

Families will have access to the services and information they need, at the times they need it, to make choices appropriate for their needs.

What the Community Has Told us

- Clarity of information about service options – What they are, their costs, how to access them at the time for their child’s stage/age/needs. Make more information easily available online.
- Priority of access – Clarity of criteria and how people can access services, especially regarding waitlist management. Service providers have mixed views on whether the waitlist supports or hinders access.
- Welcoming and inclusive services – Meet the needs of diverse community, for example disability-specific or supported services. Co-location can support greater access to a broad range of services.

Where Do We Need to Focus?

- Consolidated portal of information on early years’ services and linkages to existing sources.
- Consolidated and well-managed waitlists for kindergarten and childcare.
- Enabling access and support to services, including access through Early Start Kindergarten.

Policy Recommendations

Policy recommendation 5.1

Proactively create and promote opportunities for families with children to meet other families and develop social connections through such things as community events and parents’ workshops.

Policy recommendation 5.2

Improve communications about the availability of, and access to, all early years’ services, especially kindergarten to culturally and linguistically diverse communities.

Policy recommendation 5.3

Utilise approved state funding to scope the creation of an effective and centralised municipal-wide enrolment system for community-run and independent kindergartens in Port Phillip. This will require significant consultation with service providers.

Policy recommendation 5.4

Develop a Memorandum of Understanding for playgroups with guidelines regarding:
- size and inclusion
- available support for volunteers, committees and parents
- sustainability, including sharing of resources between groups and recycling
Policy recommendation 5.5

Develop a centralised portal and communication strategy as part of the Customer Experience and Technology Transformation project, and work with children’s service providers and families to establish the best way for families to receive the information they need, in the way they need it.

Policy recommendation 5.6

Improve the current childcare waitlist and investigate expanding it to include private and independent centres in order to provide families with better information about places for children under the age of three, as well as to inform short- and medium-term planning for childcare about places for children under the age of three, as well as to inform short- and medium-term planning for childcare.
Policy Objective Six

Early Years services will be supported by safe, accessible, contemporary, fit-for-purpose, sustainable facilities and environments.

What the Community Has Told us

- **Sustainability** – Green and sustainable features in facilities.
- **Update buildings to improve access for all** – Meet compliance (OHS & DDA mentioned specifically), such as ramps, doorways.
- **Flexible spaces** – Enable change in service offering, and adapt to any regulatory/legislative changes.
- **Address current levies and subsidies** – Be equitable in the distribution of funding/support and enable the delivery of quality services.
- **Facility hubs** – Be based on need rather than size of building/service to drive integrated hub development. Accessibility to parking and public transport is crucial.

Where Do We Need to Focus?

- Consolidated information on our assets and a long-term plan.
- Consolidate and invest in new assets to support service delivery where compliance cannot be achieved and service demand exists.

Policy Recommendations

**Policy recommendation 6.1**

Develop an Early Year’s Services Facility Framework that will deliver the following outcomes:

- All assets to meet legislative and building compliance over the life of the strategy.
- All assets able to receive co-contribution funding from state government. This will require all assets to meet a minimum of 88 places.

**Policy recommendation 6.2**

Work with all community-managed services over time to implement the framework outlined above.

**Policy recommendation 6.3**

Ensure additional facilities for services and consolidate existing services if required to meet functionality and compliance are incorporated into integrated facility hubs to address multiple service demands. Council will optimise opportunities for Major Capital Works grant applications available from Department of Education and Training for the building of integrated service hubs, especially on any new school sites, such as in Fishermans Bend.
Policy Objective Seven.

Children will have access to natural environments that allow them to learn about and experience play in nature. This includes natural environments within early years’ services.

What the Community Has Told us

- **Balance within services** – Between wet weather/indoor play and bush/natural outdoor areas.
- **New service model** – Develop a bush/farm/nature kindergarten in Port Phillip.
- **Connection to nature and natural environments** – For children to explore and manipulate their environments.

Where Do We Need to Focus?

- Optimise the existing opportunities for children in Port Phillip to access natural environments in their early years.
- Council to consider funding natural or sensory play experiences, for example mud kitchens, water walls, vegetable patches, sensory gardens and excursion strollers.
- Foster gradual improvement in play spaces over time, ensuring targeted value for investment.

Policy Recommendations

**Policy recommendation 7.1**

Develop model for optimising access to existing assets in the city such as parks, beaches, and adventure playgrounds.

**Policy recommendation 7.2**

Advocate for the promotion of outdoor learning environments and programs that promote children’s connection to nature and environmental sustainability practices, for example Clean up Port Phillip Day, Be Out There, Let’s G.O (Get outside), and Indigenous nature-based cultural programs.

**Policy recommendation 7.3**

Develop a minimum design guideline for future playground works/upgrades at childcare centres that can be tailored for each site and implemented in stages, including investigating the development or suitability of nature and sensory play environments within open space settings for excursion purposes, for example developing bush kindergarten setting/s in the municipality.

**Policy recommendation 7.4**

Work with early years’ networks to consult and promote the range of opportunities to incorporate nature and sensory play into their service settings with supported funding opportunities.
How Will we Measure Success?

Seven Critical Success Factors

To support the vision for early years' services, address our challenges and deliver on our key policy objectives, we have developed seven critical success factors to guide decision-making and identify specific actions for each policy objective.

<table>
<thead>
<tr>
<th>Critical Success Factor</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Legislative compliance</td>
<td>All facilities and services in the market will comply with legislation including but not limited to:</td>
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<tr>
<td></td>
<td>• Disability Discrimination Act</td>
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<tr>
<td></td>
<td>• Occupational Health and Safety Act</td>
</tr>
<tr>
<td></td>
<td>• National Competition Policy</td>
</tr>
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<td></td>
<td>• National Construction Code</td>
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<tr>
<td>Meeting national quality</td>
<td>All services in the market will meet or exceed expectations in line with State Government assessment and rating process.</td>
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<tr>
<td>standards</td>
<td></td>
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<tr>
<td>Positive market impact</td>
<td>The Council will undertake an assessment of the impact of Council service provision on the local children's services market to ensure there is no competitive advantage where Council provides support to services, especially where the market can provide such services (in line with the LGA Competition Principles Agreement).</td>
</tr>
<tr>
<td>Access for all</td>
<td>Facility and service offerings will have equity of access for all members of our community including:</td>
</tr>
<tr>
<td></td>
<td>• affordability</td>
</tr>
<tr>
<td></td>
<td>• geographic spread aligned with demographics</td>
</tr>
<tr>
<td></td>
<td>• support for vulnerability</td>
</tr>
<tr>
<td></td>
<td>• support for additional needs (disability, cultural and linguistic diversity, income, transience etc)</td>
</tr>
<tr>
<td>Future-focused</td>
<td>Council will meet the population growth and be adaptable to changing children's services market requirements into the future.</td>
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<tr>
<td>Financial sustainability</td>
<td>Council's role as planner is to ensure that decisions are made and actions are taken having regard to their financial effects on future generations.</td>
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<tr>
<td></td>
<td>Services will be financially viable. Council's obligations under the Local Government Act are to:</td>
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<tr>
<td></td>
<td>• manage financial risks prudently, having regard to economic circumstances</td>
</tr>
</tbody>
</table>
Partnerships

We need to work in partnership with others to achieve our vision and policy objectives. The general community, state government partners, private industry, community-managed and not-for-profit sector all play a critical role in our success.

In Port Phillip, this includes childcare centres, kindergartens, toy libraries, playgroups, maternal child health (including the enhanced service), Council’s Integrated Family Support Service, Star Health and other allied health services, Orange Door, and Child Protection. And most importantly, it is with our children and families.
Providing Feedback

We welcome your feedback on the recommendations on this Policy Issues and Options Paper between 25 March to end of April 2019.

You can provide this via an online survey or by attending one of the pop-up workshops to be held across the municipality.

Come along and have a conversation with us at any of the pop-up events that are being held across the municipality during the months of March and April 2019, see haveyoursay.portphillip.vic.gov.au/childrens-services.

The online survey and information about the policy issues and options paper is available at haveyoursay.portphillip.vic.gov.au/childrens-services.

Email: children@portphillip.vic.gov.au and put “Every Child Our Future Feedback” in the subject line.

Write to:
Every Child Our Future Feedback – Service Transformation Team
99A Carlisle Street, St Kilda

Attachments
Attachment 1 - Stage 1 Consultation Summary Report
Attachment 2 - Community Reference Group Summary Report
Attachment 3 - Early Years' Service Affordability Analysis
Attachment 4 - National Quality Standard Rating of Port Phillip Early Years' Services
Attachment 5 - Early Years' Services Access Analysis
Attachment 6 - Early Years' Services Current and Future Demand Analysis
Attachment 7 - Children's Services Asset Overview Summary
References


Attachment 1: Every Child Our Future - Policy Issues and Options Paper

City of Port Phillip, Every Child, Our Future: Policy Issues and Options Paper


AECG Community Profile 2015 – 1. About the Australian Early Development Census. Port Phillip.


