



**9.1 ADOPTION OF EVERY CHILD, OUR FUTURE CHILDREN'S SERVICES POLICY**

**EXECUTIVE MEMBER: TONY KEENAN, GENERAL MANAGER, COMMUNITY AND ECONOMIC DEVELOPMENT**

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**1. PURPOSE**

- 1.1 To present the proposed *Every Child, Our Future: Children's Services Policy* for endorsement by Council and to outline the next steps before the policy is implemented.

**2. EXECUTIVE SUMMARY**

- 2.1 This report presents to Council for endorsement the *Every Child, Our Future: Children's Services Policy*.
- 2.2 The review of children's services commenced in 2015. Council has endorsed key elements of policy development.
- 2.3 Council released the *Every Child, Our Future: Policy Issues and Options Paper* on 20 March 2019 for consultation with families, the broader community, service providers and staff.
- 2.4 Council officers conducted an extended consultation process, stage 2 consultation, regarding the Policy Issues and Options Paper.
- 2.5 The proposed *Every Child, Our Future: Children's Services Policy* describes Council's role in achieving the policy objectives and the vision for children's services. It sets out 16 commitments that Council will deliver enable all children in Port Phillip to reach their full potential.
- 2.6 In developing the Children's Services Policy officers have considered evidence and information regarding:
- children's development and the benefits of children's services for all children
  - the development outcomes of children in the City of Port Phillip
  - the benefits of and best practice in the delivery of children's services for all children
  - the current and future needs of families in Port Phillip
  - population changes in Port Phillip
  - the current operation of children's services operating in Port Phillip
  - operating models for children's services in surrounding municipalities
  - stakeholder perspectives and preferences
  - legal and risk management requirements
  - alignment with the Council Plan
  - financial, environmental and community impact
- 2.7 Following endorsement of the proposed policy it is recommended that officers prepare an implementation plan in consultation with stakeholders that will include:



- A detailed business case for Council's continued operation of its four childcare centres or transition of one or more centres over time to a community-managed model.
- The development of a long-term strategy for the future of Council-owned children's services facilities that provides certainty for families and service providers regarding timeframes for implementation.

### 3. RECOMMENDATION

That Council:

- 3.1 Notes that a number of submissions on this topic have been received following Council's consideration of the outcomes of community consultation on the *Every Child, Our Future: Policy Issues and Options Paper* in May 2019
- 3.2 Formally adopts the proposed *Every Child, Our Future: Children's Services Policy* (Attachment 1) which commits Council to:
  - Greater support to the children and families that will benefit the most and are least likely to access the services by investing in assertive outreach, providing targeted grants to reduce financial barriers to access and supporting families and services to support positive outcomes for these children
  - Taking a strong role in the monitoring community needs, the services available to meet these needs and planning for the future and supporting children and families to access services that meet their needs regardless of provider-type
  - Advocating to other levels of government to increase investment and to ensure all children have access to high quality and accessible children's services
  - Continuing providing support for volunteer-led, community-managed services that provide childcare, toy libraries, playgroups and kindergarten through appropriate funding and provision of facilities.
  - Excluding transitioning Council-run services and Council owned facilities to private for-profit providers
  - Developing a business case that assesses the benefits and costs of transitioning one or more of the four Council-run services to community organisations or alternatively retaining operation and ensuring competitively neutrality.
- 3.3 Delegates authority to the Chief Executive Officer to make amendments to the *Every Child, Our Future: Children's Services Policy* to correct any minor drafting errors that do not materially alter the intent of the Policy.
- 3.4 Request that officers prepare an implementation plan, in consultation with stakeholders that includes a long-term strategy for the future of Council-owned children's services facilities.

### 4. BACKGROUND

- 4.1 The City of Port Phillip has a proud history of investing in early education and care services.



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- 4.2 Council commenced the review of children's services in 2015. This review identified the need for a newly revised policy as the previous Children's Services Policy, endorsed by Council on 22 February 2006, no longer met the needs of the community, did not reflect contemporary practice and reflect a range of policy and legislative changes at a federal and state government level.
- 4.3 In 2017, as part of the Council Plan, Strategic Direction 1: "We embrace difference, and people belong," Council endorsed a review of children's services to determine Council's future role in children's services as a priority.
- 4.4 In February 2018 Council adopted an *Interim Childcare Policy 2018/19* to respond to immediate changes in the Federal Government's funding policy for childcare until a new policy is in place.
- 4.5 In June 2018, Council resolved for officers to commence community engagement on the Children's Services Policy development process – stage 1 community consultation. A report summarising outcomes of the Stage 1 consultation was received at the 15 August 2018 Council meeting.
- 4.6 The engagement approach for stage 1 community consultation facilitated broad and diverse input from families, service providers and the wider community and informed the development of the policy objectives that were endorsed by Council on 5 September 2018.
- 4.7 The seven policy objectives provide the foundation for the proposed *Every Child, Our Future: Children's Services Policy*:
- Policy Objective 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.
- Policy Objective 2** - 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.
- Policy Objective 3** - Early years' services will be financially sustainable and consistently aligned with relevant policies and legislation at the local, state and federal level.
- Policy Objective 4** - Council will encourage collaboration across all early years' services.
- Policy Objective 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.
- Policy Objective 6** - Early years services will be supported by safe, accessible, contemporary, fit-for-purpose, sustainable facilities and environments.
- Policy Objective 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.
- 4.8 The policy objectives provided the basis for the development of critical success factors to guide the preparation of the policy issues and options paper. Council endorsed the critical success factors for policy objectives on 5 December 2018.



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- 4.9 Council endorsed the *Every Child, Our Future: Policy Issues and Options Paper* on 20 March 2019. This paper set out 25 recommendations for feedback regarding how Council could achieve the agreed policy objectives.
- 4.10 Council officers conducted stage 2 community consultation regarding the Policy Issues and Options Paper for six weeks. Online submissions were accepted until 7 May 2019 and formal written submissions were accepted until 15 May 2019.
- 4.11 On 29 May Council received the outcomes of stage 2 community consultation and received and heard submissions on *Every Child, Our Future: Policy Issues and Options Paper*.
- 4.12 The proposed *Every Child, Our Future: Children's Services Policy* (Attachment 1) describes Council's role in the delivery of children's services and what Council will do to support the achievement of the policy objectives. It makes 16 commitments regarding what Council will do to support families and children in the City of Port Phillip.
- 4.13 The proposed *Every Child, Our Future: Children's Services Policy* was informed by:
1. Evidence regarding child development and the benefits of quality children's services
  2. Analysis of the differing roles of each level of government in children's services including benchmarking with surrounding municipalities.
  3. Community and service provider feedback on the *Every Child, Our Future: Policy Issues and Options Paper*.

### **Evidence regarding child development and the benefits of quality children's services**

- 4.14 Stable, caring, interactive relationships with adults help children to thrive. Experiencing nurturing care in the early years is vital for later development and wellbeing.
- 4.15 Early childhood experiences and environments lay the foundations for life. Children's development is the most responsive to external influences during the first 1000 days (the period from conception, throughout pregnancy, and a child's first two years). These external influences may have a positive or a negative effect on young children's development. The home learning environment is vital in supporting children's development.
- 4.16 Quality children's services can support children's development and children from disadvantaged backgrounds gain the greatest benefit from children's services. In Australia, conservative modelling indicates that every dollar invested in high-quality early childhood education returns between \$1.50 and nearly \$3. This return grows to double digits for children from families experiencing disadvantage. It is also generally less costly than later interventions in school or early adulthood, and more effective in improving the social and economic participation of citizens (Source: Victorian Government, Early Childhood Reform Plan, 2017 <https://www.education.vic.gov.au/Documents/about/educationstate/ec-reform-plan.pdf> ).



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- 4.17 Children's services that can be accessed by children aged under two years and which support parents in building their capacity have the greatest potential to improve long term outcomes for children.

### **Role of local government**

- 4.18 Children's services operate in a complex policy and regulatory environment.
- 4.19 The Commonwealth government has been taking on an increasing role to support the quality and accessibility of children's services through:
- national quality standards for early education providers
  - providing a scaled subsidy (ranging from 20%-85%), dependent on family income, to access hours of childcare dependent on family activity (work, study and volunteer) up to an hourly cap (i.e. a cap on the amount per hour a family can receive). Families that meet certain criteria can access additional subsidies. This is a sector neutral subsidy that is used in all registered child care providers.
- 4.20 The Victorian government has a responsibility for state-wide policy and the provision of funding, planning and regulation of early years services. It regulates the National Quality Framework and provides funding to support universal access to four-year old kindergarten and provides infrastructure grants to early education facilities (both long-day care and sessional kindergarten). The Victorian Government also has a program to encourage centres to operate under an Early Years Management model. The Victorian Government will introduce universal access to three-year old kindergarten over the next five years and funding to increase capacity of the sector to deliver 3-year old kindergarten.
- 4.21 The Early Years Compact between the Department of Education and Training, Department of Health and Human Services and local government (represented by the Municipal Association of Victoria) is a commitment between state and local governments to work together to improve outcomes for young children and their families. It prioritises activity to support Aboriginal and Torres Strait Islander children, children in out of home care and experiencing family violence.
- 4.22 Local government has statutory and social responsibility for planning for the needs of its local community. This includes planning, funding and infrastructure investment as well as the coordination of services.
- 4.23 It is at Council's discretion regarding whether this includes the direct delivery of services for children and families.
- 4.24 Children's services in surrounding municipalities have similar operating models to Port Phillip with:
- A mix of children's services that includes childcare, kindergarten, playgroup and toy library services.
  - A range of service providers including council, community organisations and independent operators (including independent schools, not-for-profit operators and for-profit operators)



- A range of integrated and stand-alone service settings including providing assets specifically for children's services, council assets used for children's services and other community programs (such as neighbourhood houses), community venues (such as church halls and schools) and public spaces and private homes (for some playgroups).

## 5. KEY POINTS/ISSUES

- 5.1 The following outlines the rationale for each of Council's 16 policy commitments in the proposed *Every Child, Our Future: Children's Services Policy*.

**Policy Objective 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.**

- 5.2 Overall, Port Phillip is an advantaged community with a Socio-Economic Indexes for Areas (SEIFA) score of 1,069, ranking the City as the eighth most advantaged municipality in Victoria. [Source: IdCommunity. \(2016\). City of Port Phillip SEIFA by Local Government Area. https://profile.id.com.au/port-phillip/seifa-disadvantage](https://profile.id.com.au/port-phillip/seifa-disadvantage)
- 5.3 Young children in Port Phillip are generally developing well. Australian Early Development Census (AEDC) data shows that by the time they start school, 90% of children in Port Phillip have well developed or highly developed strengths. This is above the profile for Victoria (82%) and Australia (79.6%). [Source: ADEC Multiple Strength Indicator 2018: AEDC community summary for Port Phillip, VIC https://www.aedc.gov.au/resources/community-profiles](https://www.aedc.gov.au/resources/community-profiles)
- 5.4 There are some areas within the Port Phillip that experience significant levels of disadvantage. There has also been a significant increase in the proportion of children who are developmentally vulnerable on the ADEC domain – emotional maturity. [Source: ADEC, Community Profile 2018 - Port Phillip, https://www.aedc.gov.au/resources/community-profiles](https://www.aedc.gov.au/resources/community-profiles)
- 5.5 While children in vulnerable families benefit the most from children's services they are often the least likely to access these services.
- 5.6 There are approximately 550 families in Port Phillip with children aged 0 – 4 who are low income families with an annual household income of less than \$77,000 (the median income of Victorian households).
- 5.7 Council research indicates that approximately 100 low income families access council and community run childcare or kindergarten.
- 5.8 Some vulnerable families report experiencing barriers to accessing services, particularly out of pocket costs for childcare and missing deadlines for kindergarten enrolment.
- 5.9 The majority (72.5%) of single parent families in Port Phillip with children aged 0 – 4 have a household income of less than \$77,000.



- 5.10 The majority (86%) of two parent families in Port Phillip with children aged 0 – 4 have a household income of greater than \$77,000, and 55% have a household income of at least double the median income of Victorian households. (Source 2016 census data)
- 5.11 The proposed *Every Child, Our Future: Children's Services Policy* commits Council to greater support to the children and families that will benefit the most and are least likely to access the services by investing in assertive outreach, providing targeted grants to reduce financial barriers to access and supporting families and services to support positive outcomes for these children (Commitments 1, 2 and 3).
- 5.12 Further engagement with low income and vulnerable families through the development of the implementation plan will improve the understanding of barriers to accessing children's services. For some families, these barriers can include cultural and language barriers and previous negative experiences of formal care arrangements.
- 5.13 Recognising the importance of the role of other levels of government the proposed *Every Child, Our Future: Children's Services Policy* commits Council to advocating to other levels of government to increase investment and to ensure all children have access to high quality and accessible children's services (Commitment 4).
- 5.14 The *Every Child, Our Future: Policy Issues and Option Paper* presented recommendations regarding expansion of the current children's services waitlist and the introduction of the central enrolment for kindergarten. Community and service providers responses to these recommendations were mixed, with equal numbers of respondents strongly supporting and strongly against the continuation of the waitlist.
- 5.15 The proposed *Every Child, Our Future: Children's Services Policy* commits Council to working with families and all providers to improve enrolment processes to enable access to childcare and kindergarten for all children in Port Phillip (Commitment 5).

**Policy Objective 2 - 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.**

- 5.16 Overall, Port Phillip is projected to experience significant population growth over the next 20-30 years. The growth in early years population will vary across neighbourhoods. The population of children aged 0 – 4 will grow in some neighbourhoods and will decrease in other neighbourhoods in Port Phillip. By 2041 the number of children aged 0 – 4 is projected to:
- Have a moderate increase in St Kilda/ St Kilda West and Balaclava/ East St Kilda. The projected increase in the population of children aged 0 – 4 for each of these neighbourhoods is 78 - 107 children.
  - Have a moderate to high increase in St Kilda Road and South Melbourne. The projected increase in the population of children aged 0 – 4 for each of these neighbourhoods is 191 - 269 children.
  - Have a significant increase in Montague and Sandridge/ Wirraway. The projected increase in the population of children aged 0 – 4 for each of these neighbourhoods is 287 - 386 children.



- 5.17 In other neighbourhoods the population of children aged 0 – 4 is projected to stabilise or decline. By 2031 the number of children aged 0 – 4 is projected to:
- Stabilise in Elwood, with a decline of fewer than 10 children.
  - Have a moderate decline in Albert Park/Middle Park and Port Melbourne. The projected change in the population of children aged 0 – 4 for each of these neighbourhoods is 67 – 110 children.
- 5.18 The proposed *Every Child, Our Future: Children’s Services Policy* commits Council to taking a greater role in the monitoring community needs, the services available to meet these needs and planning for the future (Commitment 6).

**Policy Objective 3 - Early years’ services will be financially sustainable and consistently aligned with relevant policies and legislation at the Local, State and Federal level.**

- 5.19 The proposed *Every Child, Our Future: Children’s Services Policy* commits Council to supporting a thriving early education and care sector in Port Phillip that provides quality service options enabling choice and accessibility for all children and families (Commitment 7). This covers four separate roles that Council plays:
- support for playgroups.
  - support for toy libraries
  - direct delivery of childcare services
  - Council’s continued support for community-managed childcare and kindergartens
- 5.20 **Playgroup** is a ‘grassroots’ community program with a primary focus on building families’ connections within their local community. Playgroups help build families’ capacity and provide opportunities for children to learn through play and through social interactions with both their caregivers and other adults. The City of Port Phillip has a very high number of active playgroups and Council supports them by providing affordable and accessible spaces.
- 5.21 The proposed *Every Child, Our Future: Children’s Services Policy* commits Council to providing supported playgroups and improving access for all children and families to community-led playgroups in partnership with service managers, facility managers and playgroup coordinators (Commitment 7, part D).
- 5.22 **Toy libraries** are community run services that provide borrower access to toys and support community connections between toy library members. Toy libraries support care-givers of young children to provide quality play experiences in the home environment, a vital part of children’s development. The City of Port Phillip has one of the highest rates of toy library membership per child aged 0-4. Council provides subsidies to help toy libraries to operate and provides affordable and accessible spaces.

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- 5.23 The proposed *Every Child, Our Future: Children's Services Policy* commits Council providing co-ordination services for toy libraries to support collaboration and to facilitate access for all families. This includes working with toy library committees of management to develop and implement an operating model that meets the current and future needs of families in Port Phillip (Commitment 7).
- 5.24 **Childcare** is early education and care for children aged 0 – 6 years old that is delivered by education and care staff in a long-day-care setting. This is the service where Council has made the most significant investment over the last 10-15 years through subsidies to community-managed centres and the childcare centres it operates.
- 5.25 Childcare services in Port Phillip are operated by a range of operators: not-for-profit, Council, private-for-profit and community-managed.
- 5.26 The average daily fee for childcare in Port Phillip is approximately \$133.78 (as at December 2018). The daily fee for 69% (24 out of 37) childcare services in Port Phillip is greater than the hourly rate cap for the federal Child Care Subsidy. Eligible families that use these services incur additional out-of-pocket costs because the daily fee for the service they use is greater than the hourly cap.
- 5.27 Council has a long history of supporting and operating early education and care (childcare) in Port Phillip.
- 5.28 Council currently operates four centres (Bubup Nairn, North St Kilda, Coventry and Clark Street) providing 318 places, representing 14.6% of places in the municipality. In 2018/19 the direct cost to Council of operating these services was \$850,000. In 2012, Council made a substantial capital investment in the Bubup Nairn Family and Children's Centre to increase the number of childcare places in Port Phillip as well as to provide a range of services on site including playgroups and maternal child health.
- 5.29 In 2018, Council determined that its operation of four centres would constitute a significant business under competitive neutrality guidelines and subsequently undertook an assessment of competitively neutral pricing according to guidelines provided by the Officer of Better Regulation. At this time, it was determined that Council was effectively subsidising the operation of the four centres by \$2.04M when all indirect costs and advantages of government ownership were taken into account.
- 5.30 Council also provides support to eight community-run childcare centres providing 547 places, representing 24.53% of places in the municipality. These services are highly valued in the community and provide additional benefits through the creation of social networks and leveraging community capacity through fundraising and volunteering.
- 5.31 Under the *Interim Child Care Policy* these centres receive a quality subsidy from Council (equivalent to 5% of their staff costs) and pay Council a maintenance and infrastructure levy. In the 2019/29 budget, Council has allocated \$698,175 to subsidise these services.
- 5.32 There are also 16 independent operators providing services in the municipality providing approximately 1,365 places, representing 61.21% of places in Port Phillip.

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- 5.33 Most for-profit operators in Port Phillip are small single-operators and have demonstrated longevity of service provision over the last ten years.
- 5.34 Five independent operators are associated with independent schools. Port Phillip also has two of the largest nation-wide childcare operators providing services: Guardian Early Learning (owned by a private equity firm) and Goodstart (not-for-profit). Between 2011 and 2018, G8 (the largest for profit private childcare operator) was running a centre in South Melbourne.
- 5.35 The last three years has seen an increase in the number of private operators setting up services in Port Phillip (providing an additional 357 places). These centres are generally located along commuter routes into the city.
- 5.36 **Kindergarten** is a formal early education program for children in the two years before starting school (prep/ foundation year) that is delivered by a qualified early childhood teacher in a stand-alone kindergarten, independent school or childcare setting.
- 5.37 Historically, kindergarten programs were primarily provided in a sessional program that was run by a parent-committee in facilities owned by the organisation or provided by local government with discounted rent.
- 5.38 Federal and state funding provides universal access to 15 hours of four-year old kindergarten. Over the next three years, the Victorian Government will introduce universal access to 15 hours of three-year old kindergarten. This is likely to increase demand for kindergarten programs.
- 5.39 Over the last 10-20 years there has been a trend toward different models of kindergarten programs that provide greater flexibility for working parents. This includes extended hours kindergarten and providing kinder programs within a childcare setting. These programs enable providers to access federal childcare subsidies and kindergarten funding and can have lower operating costs because staff ratios are lower at this age-range compared with children aged two and under. This means a broader range of providers are providing kindergarten programs.
- 5.40 Sessional kindergarten programs remain an important option for children to access early education before school because the Victorian government provides additional per capita funding to services to ensure free or low-cost services are available for children and families who meet certain criteria.
- 5.41 Council supports seven community-managed or not-for-profit kindergartens through a small subsidy. In the 2019/29 budget, Council has allocated \$129,357 to subsidise these services. It also provides buildings and maintenance for four kindergartens.
- 5.42 Council has also recently invested in the Barring Djinang Kindergarten which provides extended hours three and four-year old kindergarten in a long day care setting. Council has operated in since its opening in 2017 with the intention of transitioning to a community-managed model after two years of operation.



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- 5.43 Since 2012, early education and care providers have all been accessed under the National Quality Framework which provides a national approach to the regulation of **quality** in education and care services. This is governed by ACEQU (Australian Children's Education and Care Quality Authority).
- 5.44 High quality childcare and kindergarten services operate in Port Phillip. Two of the nine Victorian services with an ACEQUA rating of excellent are located in Port Phillip, a community-run child care centre and a community-run kindergarten. Excellent is the highest possible rating under the National Quality Framework.
- 5.45 The overall quality of services in Port Phillip is increasing with seven services receiving an improved ACEQUA rating at reassessment. These services were a mixture of for-profit, not-for-profit, community-run and council-operated services.
- 5.46 The proposed *Every Child, Our Future: Children's Services Policy* commits Council to continued support of community-managed centres through the provision of equitable and transparent funding agreements and/or tenancy arrangements to support quality and viable community-managed not-for-profit childcare and kindergarten services (Commitment 7).
- 5.47 In the *Every Child, Our Future: Policy Issues and Option Paper* Council presented five options regarding its role in childcare to ascertain the community's views on:
- significantly reducing its discretionary role in children's services by ceasing direct service delivery and selling or transitioning assets for other purposes (Option D)
  - transitioning out of direct service delivery to community or not-for-profit providers (Option C)
  - increasing fees at Council-run centres to ensure cost-recovery (Option B)
  - maintaining the status quo (Option A) or a hybrid option (Option D).
- 5.48 Option D is not recommended. It is clear there is strong concern in the community about moving to a fully privatised model of childcare. There is also a risk that the market would not meet current and future demand in all areas and it would reduce options for families (particularly more vulnerable families) to find services that meet their needs. This would jeopardise Council's first policy objective to ensure access for all to quality services.
- 5.49 Maintaining the status quo was the option that was the most preferred (Option A) by respondents to the survey during the consultation. Despite the level of support indicated during the consultation this option is not recommended because:
- Council subsidies that are currently going to high income earners or families who don't live in the municipality are foregone opportunities to support lower income families and children who will benefit the most from high quality early education and care.
  - The alternative options of Option B (increase fees or adjusting fees according to income) and Option C (transition to community or not-for-profit providers) will provide greater opportunities for parents and care-givers to be more involved in the service.



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- The availability of viable alternative options that would provide greater public benefit (including increasing fees or adjusting fees according to income and investment in supporting vulnerable children into quality early childhood education), means continuing the current operating model for Council-run childcare is unlikely meet the public interest requirements of National Competition Policy.

- 5.50 Modelling and analysis has indicated that both Option B (increase fees or adjust fees according to income and investment in supporting vulnerable children) and Option C (transition to community of not-for-profit providers) that would support the delivery of Council's seven policy objectives. There are costs and risks associated with the realisation of the benefits of both options. Therefore, it is recommended that further analysis to inform a business case for each option be developed before Council makes a decision.
- 5.51 The proposed *Every Child, Our Future: Children's Services Policy* commits Council to operating childcare services where there is a business case that Council-run compared with a community-managed model is the most effective way to ensure quality and accessibility for children in Port Phillip and encourage a thriving early education and care sector.
- 5.52 During the development of the implementation plan, officers will work with stakeholders and sector experts to develop a business case to enable Council to make a decision on the preferred model.

### **Policy Objective 4 - Council will encourage collaboration across all early years' services.**

- 5.53 The *Every Child, Our Future: Policy Issues and Option Paper* presented two recommendations to support the fourth policy objective that Council will encourage collaboration across all early years' services. These were broadly supported recommendations.
- 5.54 The proposed *Every Child, Our Future: Children's Services Policy* is consistent with these recommendations through the commitment that Council will support networks for all children's service providers to work together, and to access funding, training and nature play opportunities (Commitment 9).
- 5.55 It also commits Council to foster resource sharing and collaboration between playgroups and between toy libraries (Commitment 10).

### **Policy Objective 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.**

- 5.56 During the development of the policy, Council has heard from families that it can be hard to find information about what services are available. The *Every Child, Our Future: Policy Issues and Option Paper* recommended the establishment of an online portal and website that would provide information for families and children. There was mixed support for these recommendations.



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- 5.57 The Federal Government have recently launched a website <https://www.childcarefinder.gov.au> that allows families to search and compare childcare centres near their preferred location. It also provides information regarding vacancies, opening hours, fees (when disclosed by the centre) and National Quality ratings, and allows families to be alerted when a vacancy becomes available at a centre of their choice. It is recommended that Council focus its resources in promoting this resource to families and supporting centres to provide accurate and current information to Childcare Finder.
- 5.58 The proposed *Every Child, Our Future: Children's Services Policy* commits Council to providing accessible information about children's services available in Port Phillip (Commitment 11) and providing opportunities for families to connect and build relationships (Commitment 12) and working with families and providers to improve enrolment processes to enable access to childcare and kindergarten for all children in Port Phillip (Commitment 5).

**Policy Objective 6 - Early years services will be supported by safe, accessible, contemporary, fit-for-purpose, sustainable facilities and environments.**

- 5.59 The *Every Child, Our Future: Policy Issues and Options* made a recommendation to develop an Early Year's Services Facility Framework that will ensure all assets met legislative and building compliance and require assets to have a minimum of 66 places in order to receive co-contribution funding from the Victorian government. It also recommended transitioning existing childcare assets/facilities to operate as kindergartens.
- 5.60 These were both highly contentious recommendations with many stakeholders expressing support for small services and opposition to introducing a minimum number of places for a service or centre.
- 5.61 The proposed *Every Child, Our Future: Children's Services Policy* commits Council to implement a long-term strategy in consultation with service providers to ensure facilities can meet current and future demand for children's services in Port Phillip. This strategy will ensure:
- Council provides facilities where there is evidence of a community need that can't be met in any other way.
  - Council-owned facilities are fit for purpose and meet legislative and building compliance requirements
  - all available funding opportunities for upgrades or redevelopment of children's services facilities are pursued
  - opportunities for integrated service delivery are leveraged, where appropriate
  - facilities provide access to natural environments and nature play
- 5.62 During the development of the implementation plan, officers will work with stakeholders to consider where services and facilities need to be located to meet current and future community needs, particularly for vulnerable families, how do we ensure facilities are fit-for-purpose and compliant, how do we fund it and when will do it?



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**Policy Objective 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.**

- 5.63 Recently there has been a broader trend to encourage opportunities for children to have greater access to nature play and experiences in the early years. This is particularly relevant for children living in high-density urban environments such as the City of Port Phillip who may have less access to private outdoor environments.
- 5.64 There was a strong message that this was very important to families during the consultation.
- 5.65 The proposed *Every Child, Our Future: Children's Services Policy* commits Council to provide natural environments in public spaces, work with service providers to facilitate the promotion of outdoor learning environments and programs that promote children's connection to nature and environmental sustainability practices and support nature play opportunities in children's services.

### IMPLEMENTATION PLAN

- 5.66 The Children's Services Policy will have an implementation plan to describe the activities and timeframes Council will undertake to implement the policy.
- 5.67 Given the complexity of the operating environment, the development of the implementation plan will include further consultation with stakeholders and with industry experts regarding:
- An operating model for both playgroups and toy libraries that will enable access to all children and families
  - A support model for community-managed childcare and kindergartens that is transparent, fair and equitable and provides long-term certainty for service providers.
  - Co-design a program of outreach and targeted financial support that will enable the most vulnerable families and children to receive the benefits of quality early education and care services.
- 5.68 Key activities to inform the development of the implementation plan will include:
- Workshop with toy libraries to determine best operating models in the City of Port Phillip
  - Workshop with playgroups provider to determine the best way to support access for all to playgroups and build family capacity
  - Workshops with childcare providers supported by Council to determine future funding model and plan for facilities
  - Workshops with kindergarten providers support by Council to determine future funding model and plan for facilities
  - Workshop with a range of service providers and families who have experience of vulnerability to design a program of outreach and targeted financial support.



- Establishment of an advisory group to inform the development of a business case for Council's role in direct service delivery consisting of sector expertise, parent/care-giver representation and staff.

## 6. CONSULTATION AND STAKEHOLDERS

- 6.1 Port Phillip is a highly engaged community, with those who participated in the consultation process expressing strong support for the children's services provided by and supported by Council.
- 6.2 During March-May 2019, officers conducted an extended consultation process on the issues and recommendations outlined in the *Every Child, Our Future: Policy Issues and Options Paper*.
- 6.3 The consultation was designed to understand the community's level of support for the 25 draft policy recommendations contained in the paper. The consultation was also one of the activities Council undertakes as part of a public interest test, a requirement for compliance with national competition policy.
- 6.4 Stakeholders were highly engaged in the stage 2 consultation process. There were over 500 responses during the stage 2 consultation including a number of submissions and 10 verbal submissions made to the Special Council Meeting of 29 May 2019.
- 6.5 When ranking policy objectives, survey respondents identified their highest priority objectives as Policy Objective 1 – universal access and Policy Objective 7 – natural environments.
- 6.6 The recommendations that received the highest level of support in the survey concerned access to natural environments, supporting universal access through outreach and supporting collaboration and networking.
- 6.7 The recommendations that were most contentious concerned proposals regarding facilities and infrastructure, service access (waiting list and enrolment) processes, and reviewing financial support for childcare services.
- 6.8 Key overall themes from stakeholders were:
  - Strong support for community run services and services operating on a not for profit basis, child care services in a range of sizes and retaining council operation of childcare services
  - Low support for transitioning existing childcare assets to operate as kindergartens, expanding the child care waiting list and centralised kindergarten enrolment
- 6.9 Council officers continued to engage with parents and services providers after the completion of the stage 2 consultations and respond to questions and queries. Any written correspondence including the petition received by Council on 7 August has been treated as a submission on the proposed policy.



6.10 The proposed policy responds the community's feedback in the following ways:

<b>What you shared with us</b>	<b>What we have done</b>
Supporting vulnerable families is important	Proposed policy will remove barriers to families accessing services (such as problems qualifying for the childcare subsidy) and provide early intervention outreach to support these families to access children's services.  We will continue to run supported playgroups and help families access playgroups and toy libraries
Mixed views on the childcare waiting list and centralised enrolment for kindergarten	Proposed policy has no recommendation to expand the current waitlist or introduce centralised kindergarten enrolment. Instead we will review the current system and see if there is a better way to help families access services.
Strong support for community-run centres and kindergartens, toy libraries and playgroups are valued	Council support will continue and provision of assets for services to operate in.  Council will work with service providers to ensure these services meet future demand.
Strong support for not-for-profit services (either council-run or community-run).  Preference that Council continue to operate council-run childcare	Council has ruled out transferring Council-run services to private-for-profit providers. Fees for 2019/20 will not change. Council is deciding whether to continue to run the services with increased fees and efficiencies to cover its costs, or whether to transition the centres to community, not-for-profit providers. The business case for both options will be developed and Council will make a decision on this later this year or early next year. Any change to fees in 2020/21 would be considered as part Council's annual budget process.
Service providers value a council-supported network to share information and training opportunities.	Policy commits Council to support networks of service providers to work together, and access funding, training and nature play opportunities.
Information is the least important policy area to address and significant resources should not be invested in this.	Policy commits Council to provide information about children's services which is current, accessible and in community languages. Links to appropriate external sources of information will also be included where appropriate.  We will also promote social opportunities for families to connect.
Strong support for small services and opposition to introducing minimum number of places  The word "contemporary" in policy objectives is concerning	Proposed policy has no requirement for minimum places. Instead, children's services will need to be viable and meet community need. A facilities strategy will be developed in consultation with community-run services. If changes are required at any service, the service will be consulted with,



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<p>Low support for transitioning existing childcare assets/facilities to operate as kindergartens</p>	<p>change will be gradual and managed to ensure there is continuity of service and care for families.</p> <p>The policy defines the use of word “contemporary” as facility that meets National Quality Standards for Quality Area 3 – physical environment (Note: all children’s services currently operating in Port Phillip meet this standard).</p> <p>New policy has no recommendation to transition assets to kindergartens. Instead, the new policy says children’s services facilities will be based on community need.</p>
<p>Access to natural environments strongly supported</p>	<p>The proposed policy commits Council to developing natural environments in public spaces, working with service providers to facilitate the promotion of outdoor learning environments and programs that promote children’s connection to nature and environmental sustainability practices and supporting nature play opportunities in children’s services.</p> <p>We have passed on community feedback about natural environments to the Public Spaces Strategy team.</p>

6.11 Officers also organised two tours for Councillors to visit and meet providers at 11 different children’s services operating in Port Phillip. These visits included community managed, council operated and independent child care centres; sessional kindergarten; play groups and toy libraries.

6.12 Officers will continue to work with families, staff and services providers to develop the implementation plan.

## 7. LEGAL AND RISK IMPLICATIONS

7.1 The proposed Children’s Services Policy will support compliance with a range of legislative and regulatory requirements, including

- Education and Care Services National Regulations 2012 and Education and Care Services National Law Act 2010, including the National Quality Framework and Standards
- Child Wellbeing and Safety Act 2005
- National Competition Policy
- Disability Discrimination Act 1992
- Building Code of Australia

7.2 Risks associated with non-compliance under Education and Care Services legislation and regulations are low. There is a stable group of providers delivering of childcare services in Port Phillip. For profit, not for profit, independent school, community run and council providers all participate in assessments under the National Quality Framework.



- 7.3 Council has an obligation to comply with the requirements of competitive neutrality policy when it is operating a significant business. This includes operating child care services. Continuing the current operating model for Council-run childcare is unlikely meet the requirements of National Competition Policy. There is a risk that a provider or providers will make a complaint to the Office of Better Regulation. The Office of Better Regulation has the power to investigate complaints and to make recommendations for Council to action.
- 7.4 If Council ceases operating Council-run services and sells or transitions assets for other Council purposes there is a risk that demand for places will exceed supply and that families will have reduced access to childcare services. It would be difficult for Council to intervene if this risk eventuated.
- 7.5 A significant Victorian Government policy change in 2016 was the introduction of the Child Safe Standards through an amendment to the Child Wellbeing and Safety Act.
- 7.6 The proposed *Every Child, Our Future: Children's Services Policy* includes Council's formal commitment to child safety and commits that Council to supporting the implementation of Child Safe Standards across all children's services through an education and capacity building program (Commitment 8)
- 7.7 There are Council facilities in which children's services currently operate that are not compliant with the current requirements of the Disability Discrimination Act 1992. As a public organisation, Council has an obligation to lead in providing services and facilities that are accessible and inclusive for all.
- 7.8 The Disability Discrimination Act makes it unlawful to discriminate against people (including children) with an illness or disability in the provision of goods and services and in educational facilities. This includes children's services.
- 7.9 There is a risk that a complaint against Council will be made to the Australian Human Rights Commission regarding a children's service in an asset that is not compliant with the Disability Discrimination Act.
- 7.10 For Council assets that are not currently compliant, commencing alterations or capital works to an asset will also trigger a requirement for that asset to be made compliant with the Disability Discrimination Act and Building Code of Australia.
- 7.11 Council is managing this risk by developing a facilities strategy, including the facilities in which children's services currently operate. This strategy will take a planned and a financially responsible approach to ensuring council facilities are compliant with legislative requirements. In some circumstances, this may include changes to the location and/ or the built form of facilities. Service-providers will be consulted to ensure a staged approach that minimises service disruption.
- 7.12 If council does not proactively manage its assets, including managing compliance with the Building Code of Australia and the Occupational Health and Safety Act there is a risk that an unplanned event will cause disruption to services. This includes temporary closures and/ or the relocation of services to rectification works to be completed.



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### 8. FINANCIAL IMPACT

- 8.1 The proposed *Every Child, Our Future Children's Services Policy* assumes overall funding to children's services will be maintained at existing levels.
- 8.2 In order to provide additional support for more members of our community in vulnerable circumstances, Council will:
- Identify further efficiencies in its operations of childcare and develop a business case for its ongoing role in direct-delivery or transition to a community-managed model.
  - Consider options to modify current funding arrangement to community-managed childcare and kindergartens to ensure that this funding supports children and families who need and will benefit the most from children's services. This will be done in consultation with service providers to ensure it is a fair and equitable model that supports their ongoing viability and can be incorporated into existing planning.
- 8.3 The principles for this investment will seek to ensure that Council services support all children in Port Phillip and that Council:
- focuses on supporting children in vulnerable circumstances in Port Phillip to access children's services
  - has regard to the needs of the child, including children in Port Phillip who are not yet accessing children's services
  - supports children in vulnerable circumstances to services that will help them reach to their full potential regardless of the who operates the service they are attending

### 9. ENVIRONMENTAL IMPACT

- 9.1 The Children's Services policy is primarily focused on delivering social benefits for young children and families.
- 9.2 Any reduced environmental impacts resulting from changes to the council assets from which children's services are delivered would be considered in the facilities strategy.
- 9.3 The proposed policy means Council will continue to support children's services to have a focus on environmental sustainability and accessing natural environments and nature play opportunities.

### 10. COMMUNITY IMPACT

- 10.1 The Children's Services policy will have a positive impact for the community, particularly for families with young children, supporting children to develop to their potential and enhancing the ability of services to respond to the changing needs of children and families in Port Phillip.



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10.2 The Children's Services policy is seeking to achieve three outcomes:

- All children living in Port Phillip are supported to develop their full potential.
- Parents, carers and families are supported to increase their capacity and capability.
- The effects of disadvantage on children's development are minimised.

### 11. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

- 11.1 The Children's Services Policy aligns with Strategic Direction 1 in the Council Plan: "We embrace difference, and people belong", and is particularly aligned with Council's commitment to "providing access to services that support the health and wellbeing of our growing community" (Council Plan 2017- 27, outcome 1.3).
- 11.2 To deliver outcome 1.3 Council will complete a number of priority activities, including to 'complete the review of Children's Services to determine Council's future role in early childhood education and care'.
- 11.3 This report presents the findings of the review of children's services. The Children's Services Policy describes Council's future role in early education and care.
- 11.4 The Interim Childcare Policy 2018 was adopted by Council in July 2018. It is intended that the new Children's Services Policy will replace the interim policy on 1 July 2020 following endorsement of the implementation plan.

### 12. IMPLEMENTATION STRATEGY

#### 12.1 TIMELINE

12.2 The next steps in the implementation are:

- October – December 2019 - Targeted consultation activities to inform the development of the implementation plan
- January – February 2020 - Development of business case for two options regarding direct delivery of childcare and development of policy implementation plan
- March 2020 (indicative) - Council endorsement of the implementation plan
- July 2020 - Commence implementation plan
- 2020 – 2025 Implementation plan

#### 12.3 COMMUNICATION

#### 12.4 Key messages:

- Council acknowledges the importance of quality children's services for our community, especially for minimising the effects of disadvantage
- Council will continue investing in high-quality children's services, including childcare, kindergarten, playgroups and kindergartens



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- Children experiencing vulnerability gain the most benefit from quality early education. They are also the least likely to attend. Council's new policy focuses more support for this group of children because we know that's where we will see the most benefit.
- Children from families experiencing vulnerability will be better off under the new children's services policy with Council providing additional funding for these families to access services, an additional outreach services to work with families and service providers, and help with service access and to make sure they receive their full rights to the federal government's childcare subsidy.
- The policy will ensure the existing number of childcare and kindergartens places across Port Phillip are provided where they need to be, particularly in response to projected significant growth in the population of 0-4 year olds in South Melbourne, St Kilda and St Kilda road and in the new Fishermans Bend neighbourhoods.
- The policy sees continued support to community-managed services.
- In terms of the future for the four childcare centres that Council operates, it has ruled out transferring these services to private providers. Council is deciding whether to continue to run the services with increased fees to cover its costs, or whether to transition the centres to community, not-for-profit providers. The business case for both options is being finalised and Council will make a decision on this later this year or early next year.

### 13. OFFICER DIRECT OR INDIRECT INTEREST

13.1 No officers involved in the preparation of this report have any direct or indirect interest in the matter.

**TRIM FILE NO:** 16/17/13

**ATTACHMENTS** 1. Proposed Every Child, Our Future: Children's Services Policy