



**9.2 INTERIM CHILDCARE POLICY**

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**1. PURPOSE**

- 1.1 To present an Interim Childcare Policy for the period July 2018 – July 2019 which describes the arrangements for supporting quality childcare in Council and community childcare centres. It also outlines the approach to funding and managing infrastructure for Council and community childcare centres.

**2. EXECUTIVE SUMMARY**

- 2.1 The Interim Childcare Policy 2018/19 responds to the Australian Government funding changes which impact on Council's childcare Affordability Subsidy. The Childcare Policy ties Council's Affordability Subsidy to the Australian Government's subsidy, which will be increasing significantly. Without changing the Childcare Policy, the cost of the Affordability Subsidy would increase from approximately \$600k to \$3m. The interim policy will be for a 12-month period until a new Childcare Policy is developed, based on a review of children's services through a deliberative engagement process with the community. The interim policy will be enacted on the 1 July 2018. It will retain the essence of the past Childcare Policy, only altering the Affordability Subsidy.

**3. RECOMMENDATION**

That Council:

- 3.1 Approves the Interim Childcare Policy 2018/19 (Attachment 1) until a new Childcare Policy is adopted.
- 3.2 A portion of the subsidy savings will be reserved as a transition safety net for vulnerable families, for the life of the Interim Policy.

**4. KEY POINTS/ISSUES**

- 4.1 At a workshop on 25 October 2017, Councillors were advised that the new Australian Government funding approach, starting in July 2018 will result in the cost of Council's Affordability Subsidy increasing from approximately \$600k to \$3m. This is because the Childcare Policy ties Council's Affordability Subsidy to the Australian Government's subsidy, which will be increasing significantly.



- 4.2 At the same workshop on 25 October 2017, Councillors discussed the findings of the Children's Services Review and the options of engaging with the community to assist with decision making on the Children's Services Review, which would inform the development of a new Childcare Policy. Councillors indicated that they wanted to engage with the community about the Children's Services Review using a deliberative engagement approach.
- 4.3 Due to the amount of time needed to conduct a deliberative engagement process, an Interim Childcare Policy is needed which will address the impact of the Australian Government's subsidy on Council's Affordability Subsidy.
- 4.4 Councillors received a Briefing Note on 13 December which proposed a direction for the Affordability Subsidy in the 2018/19 Interim Childcare Policy. This direction was to remove the Affordability Subsidy in the 2018/19 financial year.
- 4.5 The community will help develop a future direction for Children's Services which will inform a new Childcare Policy effective from July 2019 onwards.
- 4.6 The Interim Childcare Policy 2018/19 is attached.

## **5. CONSULTATION AND STAKEHOLDERS**

- 5.1 As stated above, the community will be consulted about the direction of children's services, which will inform the development of a policy for childcare, effective from July 2019.

## **6. LEGAL AND RISK IMPLICATIONS**

- 6.1 Not adopting an interim policy for childcare would significantly increase Council's financial risk and effectively duplicate the Australian Government funding.

## **7. FINANCIAL IMPACT**

- 7.1 Councillors considered the financial implications of the new Australian Government funding on Council's Affordability Subsidy and indicated support for the adopting an Interim Childcare Policy until a new Childcare Policy can be developed after consulting with the community on the direction for children's services.
- 7.2 The Interim Childcare Policy will result in a subsidy reduction of \$592,018 overall (based on combined Affordability and Quality Subsidies budgeted in 2017/18) to \$999,020 (excluding the affordability component only) in the 2018-19 financial year. A portion of the subsidy savings could be reserved to provide a transition safety net to support vulnerable families over the life of this Interim Policy.

## **8. ENVIRONMENTAL IMPACT**

- 8.1 None.



**9. COMMUNITY IMPACT**

- 9.1 The Australian Government's proposed funding to childcare from July 2018 will increase childcare funding beyond the Australian Government's and Council's current funding combined. With the exception of high earning households (for example, 40 cents worse off for a household earning \$170,000 paying \$125 per day for childcare), all households using childcare in Port Phillip will be better off from July 2018 with the Australian Government's funding alone, than they are with the combined Australian Government's and Council's funding currently.
- 9.2 We will explore options for redirecting the Affordability Subsidy funding to support and improve outcomes for vulnerable children.

**10. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY**

- 10.1 This report aligns with Strategic Direction 1 in the Council Plan: We embrace difference, and people belong.
- 10.2 This report progresses Council's commitment to provide access to children's services that support the health and wellbeing of our growing community.
- 10.3 The Interim Childcare Policy 2018/19 will replace the current Childcare Policy 2006 until a new Childcare Policy is developed and adopted.

**11. IMPLEMENTATION STRATEGY**

**11.1 TIMELINE**

- 11.1.1 **7 February-2018:** Council adopts Interim Childcare Policy 2018/19.
- 11.1.2 **February – March 2018:** Council communicates Interim Childcare policy to Council and community managed service providers.
- 11.1.3 **Feb – August 2018:** Deliberative engagement process.
- 11.1.4 **Late July 2018:** Community panel presents findings of deliberative engagement process to Councillors
- 11.1.5 **March – June 2018:** Communication to key stakeholders about the interim policy and how it will affect them.
- 11.1.6 **1 July 2018:** Interim Childcare Policy comes into effect.
- 11.1.7 **August 2018:** Council considers recommendations from the deliberative engagement process.
- 11.1.8 **September 2018:** New Childcare Policy is drafted.
- 11.1.9 **Oct/Nov 2018:** New Childcare Policy adopted by Council.



11.1.10 **December 2018 – June 2019:** Communication to key stakeholders and how it will affect them.

11.1.11 **July 2019:** New Childcare Policy comes into effect replacing the Interim Childcare Policy.

## 11.2 COMMUNICATION

11.2.1 A Communications and Engagement Plan will be developed to identify key stakeholders, including Council and community managed services, to ensure they understand all aspects of the process, the Interim Policy and development of the new policy.

### 11.2.2 Key messages

Council is committed to providing access to children's services that support the health and wellbeing of our growing community.

Council is committed to meaningful engagement with the community on issues that affect them.

The Interim Childcare Policy 2018/19 bridges a gap until the community has the chance to be involved in developing the future direction for children's services. In essence it reflects the previous Childcare Policy.

The Interim Childcare Policy 2018/19 provides guidance on funding and managing infrastructure for Council and community childcare centres until the community provides recommendations on the future of children's services. This component has not changed.

11.2.3 The Communications and Engagement Plan will include staff as a key stakeholder to ensure that City of Port Phillip staff are informed and consulted at all relevant stages.

## 12. OFFICER DIRECT OR INDIRECT INTEREST

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

**TRIM FILE NO:** 36/01/175

**ATTACHMENTS** 1. Interim Childcare Policy 2018-2019