Key information

Children’s Services Policy - September 2019

What did Council decide on 4 September 2019?

Council decided to endorse the *Every Child, Our Future: Children’s Services Policy* 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.

Council also agreed to provide 3 years leases to community-managed children’s services to give them more certainty.

It also committed Council to 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 competitive neutrality.

As part of this business case, Council asked officers to undertake a review of costs and fees at its centres to ensure best value to the community and effectiveness in meeting council objectives in the policy. It will also explore the opportunity to implement a volunteer committee of management to enable many of the benefits and positive elements of community-run centres.

Council also asked officers to prepare an implementation plan, in consultation with stakeholders that includes a long-term strategy for the future of Council-owned children’s services facilities.

The new policy will be implemented on 1 July 2020.
What are the objectives under the new 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 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.

When does the Every Child, Our Future: Children’s Services Policy come into effect?

The policy comes into effect on 1 July 2020. The timeframe aligns with Council’s annual review its Council Plan and budget and will ensure that all commitments are fully costed and funded before the policy comes into effect through the business case and implementation plan. It is anticipated these will be presented to Council in March 2020.

What will the business case consider?

The business case will look at:

- What opportunities exist to run the services more efficiently while maintaining quality?
- How would fees need to change to make sure the services comply with National Competition Policy if Council continues to run the four centres?
- How and over what timeframe would fee changes be introduced to ensure that the services are accessible to all families (particularly families with lower incomes)?
- What are the potential benefits (for children and families) and costs (to Council and to families) of transitioning one or more centres to community-based, not-for-profit groups?
- How can Council ensure that all children, and in particular vulnerable children, continue to have access to these services if it is not directly operating these services?
• What effect would the decision have on families and how would families be supported if Council chooses to transition to the community-run model?
• What effect would the decision have on staff and how would staff be supported if Council chooses to transition to the community-run model?

What does community-based, not-for-profit mean?

There are a number of community-based, not-for-profit services operating in the City of Port Phillip. These centres are governed by volunteer parent committees and parents have a say in how the service is run. Being not-for-profit means that any profit is put back into the service. They receive Council support and often charge lower fees.

Other options under consideration includes establishing or seeking a local not-for-profit Early Years Management service to take on running the four services.

Does Council need to recoup all its costs via increased fees to remain in direct service delivery and be competitively neutral?

Under competitive neutrality policy, Council can subsidise its services as long it has evidence that this is the most effective way to achieve its seven Children’s Services policy objectives of universal access to quality, meeting community needs, compliance and sustainability, collaboration, family choice, fit-for-purpose facilities and access to natural environments.

As part of the business case, Council will model the potential impact of a range of fee changes to assess the likelihood that it would jeopardise its objectives, in particular, those concerning universal access and family choice. It will also assess the benefit to the community of its investment. Benefits that will be considered include providing access for children who may be experiencing vulnerability, access for children in general and the impact on average daily fees in the municipality as well as family choice and parental and caregiver engagement.

What is the National Competition Policy and what do we mean by competitive neutrality?

The National Competition Policy (NCP) is an Australian Government program to ensure government services do not have a competitive advantage over commercially owned competitors.

Put simply, this means Council is not allowed to subsidise its childcare services because it is considered unfair for commercial childcare services.

Council is allowed to subsidise its own services operating in a commercial market if it can demonstrate this is in the public interest. To demonstrate this, Council needs to show that there is no other way to achieve its policy objectives without the subsidy and it therefore is in the public interest.
To be compliant with the NCP, Council can either:

- reduce the amount of subsidies it provides for Council-run childcare centres by making them more efficient, and/or increase fees to cover the subsidised amount at these centres
- transition the services to other operators so Council no longer directly runs the services
- demonstrate that our subsidies are the only way to achieve our policy objectives and therefore it is in the public interest.

These options will be explored under the business case.

National Competition Policy only applies to council-run services. Council is able to subsidise community-managed services and be compliant with the NCP as they are not government-owned.

**How will Council fund a new outreach service and support for vulnerable families?**

As part of the development of the implementation plan, officers will make recommendations regarding the level of funding required to effectively engage more families and children in these services and how this can be funded.

**What does this policy mean for community-managed services?**

Council has decided to offer all centres a three year lease extension to provide more certainty to these services. This is subject to aligning the leases to the same date and undertaking the statutory procedures in the Local Government Act.

The policy commits Council to “Providing equitable and transparent funding agreements and/or tenancy arrangements to support quality and viable community organisations that provide childcare and kindergarten services”. This will provide greater transparency and equity about what services can expect from Council and how the community benefits (in terms of service quality, accessibility for children who may be experiencing vulnerability, access for children in general, the impact on average daily fees in the municipality and parental and caregiver engagement) from Council’s investment (both direct and indirect) in these important services. It is likely that provisions would be put in place to maintain existing funding levels to an agreed timeframe to allow individual services to adjust to any changes.

**What are the community-managed children’s services in Port Phillip?**

- Ada Mary A'Beckett Children's Centre, Port Melbourne
- Bubup Womindjeka Family and Children's Centre, Port Melbourne
- Clarendon Children's Centre, South Melbourne
- Eildon Road Children's Centre, St Kilda
- Elwood Children's Centre, Elwood
- Poets Grove Family and Children's Centre, Elwood
- South Melbourne Child Care, Albert Park
• The Avenue Children's Centre and Kindergarten, Balaclava

What are the council-run children's services in Port Phillip?

• Barring Djinang Kindergarten, Southbank
• Bubup Nairn Children's Centre, St Kilda
• Coventry Children's Centre, South Melbourne
• North St Kilda Children's Centre, St Kilda
• Clark Street Children's Centre, Port Melbourne