REPORT BY THE MANAGER, COMMUNITY SERVICES
TO 15 APRIL 2020 ORDINARY MEETING
GOV400087, COS300043

RECOMMENDATION

That Council:

1. receive the report by the Manager, Community Services on the Mid-Western Regional Family Day Care Scheme - Impact of Coronavirus;

2. Note the Federal Government’s announcement on 2 April 2020 regarding the release of its Early Childhood Education and Care Relief Package;

3. authorise the General Manager to waive the Carer’s Levy fee for the period 6 April 2020 to 4 October 2020; and

4. amend the 2019/20 budget to reduce Carer’s Levy fee income by $4,000 to be funded from unrestricted cash.

Executive summary

This report is to update Council on the effects of the Federal Government Funding announcement on its Early Childhood Education and Care Relief Package (‘the Relief Package’).

From the week beginning 6 April 2020, weekly payments will be made directly to early childhood education and care services, including the Mid-Western Regional Family Day Care Scheme, in lieu of the Child Care Subsidy to help them keep their doors open and for essential workers to continue to access appropriate child care arrangements in the current coronavirus climate.

In the short term, Council can assist the Educator small businesses by waiving Carer’s Levy fees that would be charged. This would amount to approximately $4,000 per quarter.

The NSW Government has also announced funding to support early childhood and, specifically, Council-run services. At this stage, it is unclear what this will mean for Council-run Family Day Care Services.

Note that announcements are made in relation to the early childhood sector on a regular basis and further information is flowing through constantly. This information may no longer be current at the time of receiving it.

Disclosure of Interest

Nil.
Detailed report

Family Day Care is a quality child care service which offers professional care and education for children in the private homes of registered Family Day Care Educators. Mid-Western Regional Family Day Care has been providing education and care to the families in our local community for 28 years.

Family Day Care is an option for young children requiring care, especially those aged 0-3 years, and those children in care 4-5 days a week. Family Day Care offers a more individualised program in a quieter, calmer environment that a larger child care centre. It also provides for better adult to child ratios that experienced in long day care centres.

Educators are licensed to have up to 7 children (including their own children), but only 4 children under school age. This means that the services can offer before and after school care, as well as vacation care.

Educators are required to program for daily indoor and outdoor activities based on their children's interests and developmental needs. Educators are also required to keep ongoing observation records of every child. Educators are visited at least once a month by Early Childhood trained Coordination Unit staff. These staff work with Educators on their programming and observations of the children in their care. They provide information, ongoing training and support in all areas.

Educators have their First Aid Certificate, Public Liability Insurance, and undergo a Working with Children Check and National Police Check before they start. Educator's homes also undergo strict and detailed safety checks before they start and continuing on a regular basis.

Family Day Care Educators are self-employed and, therefore, Council's Coordination Unit is supporting 17 locally owned and operated small businesses. The Educator breakdown as at 30 December 2019 is one Educator in Gulgong, one in Kandos, nine in Mudgee and six Educators in Wellington. Nationally there are 115,190 children being cared for by Family Day Care services, Mid-Western Regional Family Day Care has 198 registered children from 140 families being provided with an average of 1,705 hours of care each week.

Should the Scheme cease to operate, it would affect the local economy through not only the Educators not having an income but also that families using the care may potentially have to finish work and / or relocate to an region that has available childcare.

In the 2018/19 financial year, Mid-Western Regional Family Day Care Educators earnt $782,214.75 which may have potentially been spent within our local communities.

As at 30 December 2019, Mid-Western Regional Family Day Care remains one of the cheaper child care options for local families due to the flexibility of charged hours and the option for weekend and overnight care. The average hourly fee charged by the Mid-Western Regional Family Day Care Educators is under the national average, ensuring that our services are an affordable option for local families.

From the week beginning 6 April 2020, weekly payments will be made directly to early childhood education and care services, including the Mid-Western Regional Family Day Care Scheme, in lieu of the Child Care Subsidy to help services keep their doors open and for essential workers to continue to access appropriate child care arrangements in the current coronavirus climate. The Federal Government have advised that the Relief Package will be supplemented by the JobKeeper Payment which Mid-Western Regional Family Day Care Scheme Educators will be entitled to pursue personally through the Australian Taxation Office.
Conditions of the Relief Package include that families are not be charged any fees (‘the gap fee’) from 6 April until 28 June 2020.

The value of the relief package is the value of the Child Care Subsidy paid for eligible child care enrolments in the two weeks immediately before services across the country became experiencing absences from care due to concerns around the spread of the virus (ie, the two weeks immediately preceding 2 March 2020). The government have also announced that the Relief Package may be paid at a rate higher than the 50% Child Care Subsidy calculated during the relevant period (if, for example, educators were not working their usual hours during the last fortnight of February or had fewer children attending than normal). Mid-Western Family Day Care is currently analysing its enrolments and attendances for the relevant period and believes that an application to receive 75% Child Care Subsidy is more appropriate in its circumstances. The opportunity to claim this further 25% is not yet, however, available through the Department of Education, Skills and Training.

The value of Mid-Western Regional Family Day Care Scheme’s Relief Package will be paid as a bulk entitlement and it is the Scheme (and Council’s) responsibility to evaluate how that entitlement is to be shared amongst the Scheme’s 17 educators and whether 50% of the Carer’s Levy (charged to Educators weekly for supervision and support) should be taken from this bulk amount prior to distribution. This fee is only $16.00 per week and, therefore, is fairly negligible in the grand scheme of things, and could be a demonstration of support by Council to the Scheme’s Educators who are likely to face a reduced income in light of the new funding arrangements. The Parents Administration Fee, however, is charged at a rate of $1.20 per child in care per hour. Based on the figures from the fortnight preceding 2 March 2020, this figure averages a weekly charge of approximately $2,000. It is arguable that 50% of this funding will be attributable to providing further supports via the Scheme’s four employees (one full time staff member, two part time staff members and one casual staff member – all required to work in order to meet strict National Guidelines on staff to educator ratios) and not entitled to JobKeeper supports. Further, as a registered early childhood and education provider, Council requires these staff to meet obligations under National Quality Framework and Family Assistance Law in order for the individual services to continue operations. Further, Council staff have received notice that Happy Days at Gulgong has closed its doors, and the pre-school at Kandos in currently not operating meaning there are no registered early childhood care facilities in these towns. This places more pressure on Council to continue its Family Day Care Scheme and to seek out new educators to open further facilities in coming weeks and months and to maintain them for as long as the coronavirus pandemic continues to affect the community.

Council staff from the Family Day Care Scheme and Finance will work on an equitable distribution formula for the remaining funds paid each week. This will be based on hours worked by educators and the total number of hours of care provided to children in those educators’ services. There may also be further guidance from the Federal Government on how these allocations should be distributed.

Reports suggest that early childhood services around Australia and New South Wales are currently experiencing reductions in enrolment numbers. This trend has not yet affected the Mid-Western Family Day Care Scheme, however it may eventuate in the event that more cases of coronavirus are confirmed within the LGA and Wellington and families choose to withdraw enrolments and self-isolate. In order to continue receiving the Relief Package supports outline above, however, the individual service must have at least one child enrolled and attending care. In the event that no children are enrolled and attending an individual service, Relief Package supports will cease. In the event that an educator elects to shut her service, again, the Relief Package supports will cease.

Finally, if the Federal Department of Education, Skills and Employment enacts a ‘period of local emergency’ and schemes and services are required to close temporarily, at no point during that closure may fees be increased in accordance with Family Assistance Law. If the pandemic extends to 30 June 2020 and if the Scheme and some or all of its services are ordered the close, the
anticipated raise in fees and charges raised by Council relating to Family Day Care service provision will need to be delayed.

Community Plan implications

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<thead>
<tr>
<th>Theme</th>
<th>Looking After Our Community</th>
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<tbody>
<tr>
<td>Goal</td>
<td>Meet the diverse needs of the community and create a sense of belonging</td>
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<tr>
<td>Strategy</td>
<td>Provide equitable access to a range of places and spaces for all in the community</td>
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Strategic implications

**Council Strategies**
Community Plan.

**Council Policies**
Family Day Care Policy.

**Legislation**
*Children (Education and Care Services) National Law 2010 (NSW)*
*Children (Education and Care Services) Supplementary Provisions Regulation 2019 (NSW)*
*Coronavirus Economic Response Package Omnibus Bill 2020 (Cth)*
*Education and Care Services National Regulations 2018 (NSW)*

Financial implications

The new temporary financial model for continuity of early childhood care and education through Council’s Family Day Care Scheme is not a viable model. Council staff will continue to monitor developments in relief packages released by the State and Federal Governments and keep Council informed of same.

A reduction in the Carer’s Levy will have a small impact on the operational budget of around $4K per quarter. This will continue to be assessed as more information becomes available.

<table>
<thead>
<tr>
<th>Budget Year</th>
<th>Operating Performance Ratio</th>
<th>Own Source Revenue</th>
<th>Building &amp; Infrastructure Renewal</th>
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<tbody>
<tr>
<td>2019/20</td>
<td>✗</td>
<td>✗</td>
<td>–</td>
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<tr>
<td>Future Years</td>
<td>–</td>
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Associated Risks

Council’s Family Day Care Scheme may lose educators who do not believe the above relief plans proposed by the Federal Government are appropriate to their personal situations. Council staff are
seeking out advice from peak bodies as to how new educators may be recruited (possibly from closing local early childhood facilities) without having to further stretch the 50% Child Care Subsidy calculated for the last fortnight in February 2020 between increasing numbers of educators.

FIONA TURNER
MANAGER, COMMUNITY SERVICES

SIMON JONES
DIRECTOR COMMUNITY

8 April 2020

Attachments: Nil

APPROVED FOR SUBMISSION:

BRAD CAM
GENERAL MANAGER