



## **Executive Summary**

### **Purpose**

To inform Council of the Service Review undertaken for Type 1 Occasional Care Services currently provided in all three Yarra Leisure centres and to recommend options for the future of the service.

### **Key Issues**

Under the new package introduced with the Federal Government's Child Care Subsidy on July 2, child care services now have greater flexibility to choose the hours per day and days per week.

Additionally there is now scope for the Child Care Subsidy to apply to Occasional Care provided it is offered within a licenced education and care setting whereas previously Child Care rebates did not apply to Occasional Care as a service type.

This change provides new opportunities for the provision of occasional or casual care within Council's existing child care centres that utilises existing vacancies and absences.

The Type 1 Occasional Care service located in Yarra's three Leisure Centres are delivered in spaces that are not purpose built, provide poor amenity, are not co-located or integrated with any other family or children's services and do not provide an appropriate environment for children's education, health and wellbeing.

Type 1 services have continued to be underutilised over time and only offer sessions of 1.5 hours duration. The lack of flexibility embedded in the service model means there is little opportunity for families to leave the Leisure centre to pursue work or study interests.

The recent Federal changes provide the opportunity to provide a more flexible and responsive model of Occasional Care that addresses Council's exposure to risk whilst also providing a positive response to feedback from families seeking longer and more flexible sessions of occasional care.

### **PROPOSAL**

Four options are included in this report for consideration. Of these, two options are subsequently put forward as recommendations to inform future directions for the service. A proposed implementation plan is detailed to support the introduction of an improved service direction.

## **Purpose**

1. The purpose of the report is to inform Council of the Service Review undertaken for Type 1 Occasional Care Services currently provided in all three Yarra Leisure Centres and to recommend options for the future of the service.

## **Background**

2. Council currently provides Occasional Care at Council's three leisure facilities and at the Connie Benn Early Learning Centre.
3. Occasional Care that was historically provided by Council's Leisure services was originally called 'crèche' with both management and administration of the service being the sole responsibility of Leisure Services.
4. Management of the Occasional Care service was transferred from Leisure services to Family, Youth and Children's services in 2009 due to legislative changes, and as the regulations that inform service provision increased. However the day to day operations of the service are currently shared across Family, Youth and Children's services and Leisure services. Under the current licence, this is referred to as Type 1 care, and operates two, 1½ hour sessions per day. Parents may only access one of these sessions per day, and no more than 6 hours per week.
5. Occasional Care is also provided at the Connie Benn Centre but is offered as a substantially different service model to Occasional Care provided in the Leisure centres. The service offers longer sessions (4 hours per day) and is known as a Type 2 service.
6. At the Connie Benn centre, Occasional care is provided as part of an integrated suite of services offered to families. The Occasional Care service is included under the centre's integrated licence.
7. Utilisation of Occasional Care at Connie Benn remains high at an average rate of 80% with a high proportion of vulnerable families accessing the service. The relevance of the service to the local community is clear and the viability of the service has not been questioned given the high level of utilisation and success of the model. An integrated model also provides greater opportunity for families to seek additional supports offered within centres, such as kinder, long day care, Maternal and Child Health and others.
8. Consequently the Occasional Care Service Review has concentrated on the Type 1 Occasional care services located in Council's Leisure Centre's only and will not include the Type 2 Occasional Care Service at the Connie Benn Centre.

## **Legislative reform introduces new opportunities**

9. The Federal Government's Child Care Subsidy (CCS) introduced on July 2, 2018 has replaced both Child Care Benefit (CCB) and Child Care Rebate (CCR) as a single, means tested payment subsidy for parents accessing accredited child care in Australia.
10. Under the new package, child care services now have greater flexibility to choose the hours per day and days per week they operate with fees calculated at an hourly rate.
11. The Child Care Subsidy has hourly rate caps that place an upper limit on the amount of Child Care Subsidy the Government will provide. The hourly rate cap depends on the type of child care and age of the child (preschool or school aged). Child Care

Subsidy is calculated as a percentage of the actual fee charged, or of the relevant hourly cap (whichever is lower).

12. Casual vacancies within Long Day Care services operated by education and care providers may now be considered for the purposes of accessing the child care subsidy. For each hour of centre based child care a family uses, the level of subsidy provided by the Commonwealth Government in 2018/2019 will be up to \$11.77 for children below school age. Hourly rate caps will be subject to adjustment through indexation in subsequent years. The difference between the hourly cap and the fee charged by a service provider will be paid by families. Council's current fees for child care are \$116.50 per day or, \$11.65 per hour.
13. Council's child care centres routinely have absences and/or vacancies. Vacancies are based on service places that have not yet been filled. They exist because of the normal turnover of places and lag time between the offer of a place to families and acceptance of the offer. There may also be vacant places in a service because the days available do not meet families' needs.
14. Absences arise for a variety of reasons such as planned holidays, illness or other events. Services may be advised in advance of an absence or, on the day. For example, in one centre alone there is currently an average of 6 places per day due to absence. Families still have to pay for the child to attend the service in the case of an absence.
15. As a service type, there is a growing trend of Occasional Care services transitioning to become Centre-based services in the sector, albeit with different operating requirements according to the conditions of their existing approval. Whilst this approach is not yet widely available within Yarra, it is expected that some private and community operated centres will take the opportunity to maximise attendance using this model.

### **Impact on Type 1 Occasional Care services**

16. Council's Type 1 Occasional Care services operating from the Leisure centres are licenced under the Children's Services Act and are governed by the Children's Services Regulations.
17. Under the Children's Services Act and Regulations, a Type 1 service is limited to the provision of care and education for no more than 2 hours a day and not more than 6 hours a week per child.
18. Under these arrangements, there is no capacity to offer longer sessions or to introduce a more flexible model of care due to the limited hours of a Type 1 service.
19. From 2 July, 2018, the Childcare Rebate (CCR) is no longer available for families accessing Occasional Care licenced under the Children's Services Act. Some families have relied on CCR as a way of minimising the financial impact of accessing a range of child care.
20. However, there is now scope for the CCS to apply to Occasional Care as a form of child care provided is it offered within a licenced education and care setting whereas previously Child care rebates did not apply to Occasional Care as a service type.

### **External Consultation**

21. Consultation on the Occasional Care model was initially undertaken in 2016 with a range of stakeholders including employees of Yarra, families utilising the service and other Community based providers of Occasional Care.
22. Methods included distribution of the Family and Children's Survey to 3000 randomly selected families from the Maternal and Child Health service, facilitated workshops, telephone and face to face interviews.

23. Further surveying of families was undertaken towards the end of 2017 to augment previous consultation results. This included surveying of families who had used Occasional Care over the past six months together with families who accessed Yarra's Leisure Centres but did not utilise Occasional Care services. Staff of Leisure Services were also consulted at this time.
24. In total 119 families were consulted including families who use Occasional Care and families who access the Leisure centres but do not utilise Occasional Care. A summary of feedback includes:
  - (a) respondents who use the service want to see longer sessions and varied session times, particularly weekends and afternoons;
  - (b) barriers cited by families who do not use the service include lack of flexibility around session times and limited hours of service delivery;
  - (c) service not considered to be convenient or relevant for families who use other forms of childcare that offer more flexibility and longer hours;
  - (d) the service is predominantly used for the opportunity to exercise, but this is often limited mainly to free gym time and lap swimming, as session times don't connect well with organised classes;
  - (e) suggested improvements include online booking system, simplified enrolment, coordination of session times with group fitness classes, consistency of staff, improved facilities and programming;
  - (f) families reported that they value the service for its affordability, convenience and staff;
  - (g) most respondents self-report using the service 1-2 times per week; and
  - (h) location considered to be the most important factor with service provider ranked amongst the least important factors.
25. Staff from the Occasional Care service explored strengths of the model and identified opportunities for improving the service from an operational perspective. A number of ideas put forward align with those suggested by families.
26. Leisure centre staff noted the competing demands for floor space within the Leisure centres and subsequent impact on Leisure programs that are currently oversubscribed.

### **Internal Consultation (One Yarra)**

27. Internal consultation was conducted with relevant areas of Council throughout the service review depending on the advice and expertise that was required at various stages of the project. This has included financial expertise to assist with the financial analysis of the services and input from staff from Leisure services and Family, Youth and Children's services on operational matters.
28. Early childhood educators have expressed concern over the space currently being used for Type 1 OCC, on the basis that it is cramped, often smells of pool chemicals, and is proximal to the pool decks at each facility. The limited service model also does not often allow for the development of strong bonds with children and often diminishes 'education and care' to "child minding", which is contrary to the intention of the regulations.
29. Leisure services staff have indicated that the space currently being utilised could be used to offer additional leisure programming, as an expansion of the service model. Specific programming would be varied at each site, due to variances in demand and the room dimensions.

## **Financial Implications**

30. Financial analysis of the Type 1 Occasional care service has been undertaken on the 2016/2017 approved budget for the City of Yarra.
31. Council currently charges customers between \$4.20 and \$11.25 per visit.
32. As way of comparison, Holden Street Neighbourhood House was unable to financially sustain a type 2 occasional care service of 14 places with a fee of \$58 per session at almost 100% utilisation. Holden Street subsequently made the decision to close the service.
33. As costs associated with service delivery increase over time, the net cost of the Type 1 services will also increase.
34. Introducing a different model of Occasional Care utilising service vacancies and absences in Council's child care centres would generate additional income through filling vacant childcare places that would otherwise not have produced income for the service.
35. The software system currently used in our childcare centres has capacity to support full day casual bookings of child care places through introduction of an online portal utilising places that are currently vacant or where an absence creates a vacancy. The online portal could be purchased as an 'add on' feature to the current software system.
36. In addition, the model may allow for the introduction of a half day fee, which would allow for greater flexibility in the use by families and reduce the overall financial impact if lower hours of care were still preferable.
37. The specific financial implications for services and individual families are provided as a comparative example later in the report in section 77.

## **Economic Implications**

38. The current service model does not support families to study, work or participate more broadly in society.
39. Given the service only offers sessions of 1.5 hours duration, there is little opportunity for families to leave the Leisure centre to pursue other work or study interests.
40. The opportunity to introduce a different model of Occasional Care for families would increase access to Occasional Care for a broader cohort of families. The model would also enable families to pursue opportunities other than leisure given longer sessions could be offered.

## **Sustainability Implications**

41. There are no environmental sustainability implications to this report.

## **Social Implications**

42. This report has sought to better understand issues and community needs related to Occasional Care. Options for a variety of service models have been detailed that seek to offer a more responsive and flexible Occasional Care service to a wider cohort of families.
43. Services such as Occasional Care seek to provide the opportunity for families to take a short term break from their parenting responsibilities to pursue leisure, work, study or personal matters. Under the current service model, families are primarily limited to use the service for leisure purposes.
44. Consequently, the service as a Type 1 model, offers limited capacity to build families resilience and support the education and healthy development of children.

## **Human Rights Implications**

45. The covenants and legislation outlined in the United Nations Declaration on the Rights of the child and the Victorian Charter for Human Rights and Responsibilities provide guidance for responding to the rights of children to participate and be heard. Development of options and recommendations for this report has involved listening to and responding children's parents and service providers' ideas and aspirations.

### **Communications with CALD Communities Implications**

46. The Family and Children's Services survey was sent via post to 3,000 randomly selected families in Yarra. Families were randomly selected from the Maternal and Child Health data base from the last 10 years. 1 in 5 respondents spoke a language other than English at home.

### **Council Plan, Strategy and Policy Implications**

47. The consultation, analysis and advice included in the Service Review aligns with the Yarra Council Plan 2017-2021 and in particular with Objective 1 – A Healthy Yarra and Objective 2 – An Inclusive Yarra.

### **Legal Implications**

48. Services that are licenced as an Education and Care service operate under the Education and Care Services National Law Act (2010) and Education and Care National Regulations.
49. Under the Family Assistance Act Council is an approved provider of the CCS.
50. The Children's Services Act 1996 authorises the Children's Services Regulations 2009 which govern and regulate the licencing and operation of children's services including Council's Type 1 Occasional Care services.
51. As an approved licensee, the Act specifies particular legal requirements and responsibilities that Council must fulfil to ensure that all children are cared for or educated in an environment that is safe, meets the developmental needs of children and supports their health and wellbeing. Currently, the operating environment for Occasional Care exposes Council to considerable risks as detailed in the Service Review.
52. Sanctions may be applied by the Department of Education and Training in response to non-compliance with the Children's Services Regulations 2009.
53. Sanctions can range from amendments, cancellation or suspension of provider or service approval, in addition to the imposition of significant financial penalties.
54. An administrative sanction was recently issued against Council as the approved provider by the Department of Education and Training. Administrative sanctions can include a notice of caution that can be applied to the approved provider or depending on the circumstances, to a staff member or educator. The Department uses administrative sanctions where:
  - (a) there is moderate to significant impact on the safety, health and wellbeing of children, or;
  - (b) there is systematic and ongoing low to moderate non-compliance, and
  - (c) the service has taken action to address the non-compliance.
55. Given the service continues to be exposed to the same level of risk, non-compliance with the regulations is a real risk to the operation of the service. Dependant on the seriousness of any form of non-compliance, a harsher penalty may be applied as a consequence.

## Other Issues

56. Data indicates the Occasional Care service has continued to be underutilised over time. At an average rate of utilisation of 35.8% across the 3 services from 2016 to 2017, the services remain significantly underutilised. Key questions have been raised throughout the review about the relevance of the service for families. This is clearly reflected by the poor rate of utilisation over time and the lack of flexibility that is embedded in the service model. This lack of flexibility was cited by families as being a major barrier to accessing the service. This is captured by the following table:

Leisure Centre & number of service places offered	Number of Service Places if at 100% capacity	Total number of bookings	Average rate of utilisation
Collingwood (8)	4,160	2,129	51.2%
Fitzroy (10)	4,680	1,410	30.1%
Richmond (10)	5,200	1,522	29.3%
<b>Total</b>	<b>14,040</b>	<b>5,061</b>	<b>36.0%</b>

Source: utilisation data sourced from Leisure Services 2016/2017 financial year.

57. The Occasional Care service is delivered in spaces that are not purpose built, provide poor amenity, are stand-alone (are not co-located or integrated with any other family or children's services) and do not provide an appropriate environment for children's education, health and wellbeing.
58. As a limited hour's service provided in 1.5 hour sessions, the service has a limited capacity to meet the developmental needs of children and to support their health and wellbeing. Additionally, a number of risks are clearly evident in the service's proximity to the pool decks and the internal amenity of the rooms allocated for the Occasional Care service is very poor.
59. Benchmarking shows that Local Government is no longer an active provider of Occasional Care services. The constraints associated with providing a Type 1 limited hour's service where the Child Care Subsidy does not apply may present challenges in delivering a service that is affordable and relevant for families over the longer term.
60. The significant waitlist for long day care for children 3 years and under suggests that families are seeking a different form of care. This is supported by the consistent feedback gathered through the consultation where families stated that they would prefer a more flexible service that provided care over longer and more varied times.
61. In Yarra's case, the demand for long day care places for children up to 3 years of age in long day care centres operated by Council currently outstrips the number of places available. Across Yarra's five long day care centres, as of July 2018, there is a waitlist of 331 children up to the age of 3 whose families require long day care.
62. The Occasional Care service model does not include any form of assessment that considers the needs of parent's/guardians. For parents who may be socially isolated

or require additional supports, the service model and context for its operation does not expose families to information, early years or family services and supports tailored to the needs of children and families.

63. Booking data shows a total of 291 families had bookings during the 2016/2017 financial year with an average of 55 families utilising the service approximately twice a week across all three Leisure centres.
64. The Leisure Services review highlights the demand for program space and the broader community benefits that could be achieved through enhancing Leisure's capacity to deliver more programs or extend programs that are oversubscribed.
65. Visitation data collated as part of the review of Leisure Services indicates there was 1 Occasional care visit for every 176 visits to the Leisure centre.
66. The question of equity is further highlighted through comparing underutilisation of the Occasional Care service over time with the constraints Leisure Services face in responding to unmet demand for Leisure programs due to the lack of floor space.

### Options

67. Four options have been detailed for consideration that respond to the significant opportunities presented by the introduction of the new Federal Child Care package and issues outlined in the Service Review.
68. Options are considered against the key issues outlined in the review together with associated pros and cons. They are outlined as follows:

<b>Option 1: Occasional Care Services continue to be provided by Council in all Leisure Centres as a Type 1 Service</b>		
<b>Issues</b>	<b>Pros</b>	<b>Cons</b>
Financial	<ul style="list-style-type: none"> <li>• Cheap option for families.</li> </ul>	
Service model	<ul style="list-style-type: none"> <li>• Nil</li> </ul>	<ul style="list-style-type: none"> <li>• Service inaccessible or irrelevant to needs of many families and reach of the service will continue to be limited.</li> <li>• Remains a stand-alone service (not co-located or integrated with other family or children's services)</li> <li>• Family's needs not assessed as part of service model.</li> </ul>
Operational Environment	<ul style="list-style-type: none"> <li>• Nil</li> </ul>	<ul style="list-style-type: none"> <li>• Spaces offer poor general amenity for children.</li> <li>• Outdoor space not included in licenced area.</li> <li>• Proximity to pool deck poses ongoing risks.</li> </ul>
Equity	<ul style="list-style-type: none"> <li>• Nil</li> </ul>	<ul style="list-style-type: none"> <li>• Does not address underutilisation of service over time.</li> </ul>

Option 2: Cease operation of Type 1 service in all 3 Leisure Centres and establish a Council operated Type 2 Occasional Care Service		
Issues	Pros	Cons
Financial	<ul style="list-style-type: none"> <li>• Could potentially offer similar fees to those charged for Occasional Care at Connie Benn.</li> </ul>	<ul style="list-style-type: none"> <li>• Viability of establishing a Type 2 service remains untested if established as a stand-alone service.</li> <li>• Depending upon cost structure, a review of the fee structure offered at Connie Benn Centre may be triggered.</li> <li>• Any capital works required have not been costed</li> </ul>
Service model	<ul style="list-style-type: none"> <li>• Longer hours service offered (up to 5 hours)</li> <li>• Potential integration with other early years services dependent on location and service model.</li> <li>• No loss of staff. Reallocation of staff currently employed in Type 1 Occasional Care service</li> </ul>	<ul style="list-style-type: none"> <li>• If service located at Richmond Leisure Centre risks would increase proportionate to any increase in service hours.</li> <li>• Quality of children's experience of care likely to be compromised for children if no access to outdoor play space.</li> </ul>
Operational Environment	<ul style="list-style-type: none"> <li>• Carlton North Children's Centre has underutilised space at the first floor level that may provide potential option for operating an Occasional care service.</li> <li>• Richmond Family Centre 213 Church Street, Richmond. Potential option for operating an Occasional Care service.</li> <li>• Richmond Leisure Centre is licenced for 23 places but only offers 10 spaces due to operational constraints. Service has continued to remain underutilised over time.</li> </ul>	<ul style="list-style-type: none"> <li>• Limited options for accommodating an Occasional Care service if North Carlton Children's Centre, Richmond Family Centre and Richmond Leisure Centre are not suitable.</li> <li>• Fitzroy and Collingwood Leisure centres are unable to operate as Type 2 services due to environmental constraints.</li> <li>• Significant capital works may be required at centres to ensure facilities are fit for purpose.</li> <li>• Poor general amenity and significant environmental risks remain at Richmond Leisure Centre.</li> </ul>
Equity	<ul style="list-style-type: none"> <li>• May be more affordable option than long day care for some families if fees charged are in line with Connie Benn Occasional Care fees.</li> </ul>	<ul style="list-style-type: none"> <li>• Limited geographic reach of service</li> <li>• Broad appeal of the service could be limited if located at Richmond Leisure centre as evidenced by continued low rates of utilisation.</li> </ul>

**Option 3:  
Cease operation of Type 1 Service in all 3 Leisure Centres and support external provider to deliver a Type 2 Occasional Care service in Yarra.**

Issues	Pros	Cons
Financial		<ul style="list-style-type: none"> <li>• Incentive would be required to attract external provider. Business model would need to address utilisation rate.</li> <li>• If delivered in a Council facility, capital works may be required and costing would need to be considered.</li> </ul>
Service model	<ul style="list-style-type: none"> <li>• Longer hours service offered to families</li> <li>• Appropriate model would need to be developed.</li> <li>• Potential for establishing relationship with specialist service provider of Occasional Care.</li> </ul>	<ul style="list-style-type: none"> <li>• Potential to remain as a stand-alone service.</li> <li>• May not be integrated with other services</li> <li>• Staffing implications to be determined depending on service model and number of places offered. Implications could include; redeployment, transfer of business/loss of EFT.</li> <li>• If the service was established at Richmond Leisure Centre, there would continue to be administrative challenges in operating a service that has a division of operational responsibilities across two areas of Council.</li> </ul>
Operational Environment	<ul style="list-style-type: none"> <li>• Nil.</li> </ul>	<ul style="list-style-type: none"> <li>• Likely that capital works will be required to ensure any facility is fit for purpose.</li> <li>• Limited options due to licencing requirements</li> </ul>
Equity	<ul style="list-style-type: none"> <li>• Space currently occupied by Occasional Care in the Leisure Centres could be returned to Leisure services to meet unmet demand for Leisure program expansion.</li> <li>• May be more affordable and accessible option than long day care for some families.</li> </ul>	

**Option 4:  
Introduce an Occasional Care offer in existing Council run Children's centres utilising vacancies and absences within the services. Includes introduction of a childcare booking App as a tool for promotion and managing both the offer and bookings on a daily basis**

<b>Issues</b>	<b>Pros</b>	<b>Cons</b>
Financial	<ul style="list-style-type: none"> <li>• Enhances service viability through filling short term vacancies or absences.</li> <li>• Any growth in utilisation would equate to a growth in income without any requirement for additional staffing outlay.</li> <li>• More affordable for low income families on an hourly basis</li> </ul>	<ul style="list-style-type: none"> <li>• Increase in service cost for some families that do not receive high levels of CCS</li> </ul>
Service model	<ul style="list-style-type: none"> <li>• Responds to demand for casual care and introduces more flexibility and choice for families.</li> <li>• Potential to absorb existing staff</li> <li>• Model could be easily piloted.</li> <li>• Quality framework for Education and Care services would apply to programming.</li> <li>• Could increase the profile of Occasional Care because the service would be promoted more broadly within an early years setting.</li> <li>• In one centre, from 1 July 2018 to 31 July 2018, there was an average of 12% absences per day equating to availability of 6 places per day. Some of these places could be accessed for regular or casual care.</li> </ul>	<ul style="list-style-type: none"> <li>• Administrative systems would need to align with service model.</li> <li>• Whilst eligible families could apply for the Child Care Subsidy, long day care fees would apply and not all families will be eligible for the Child Care Subsidy. Therefore, may be unaffordable for some families.</li> <li>• Availability of days may be unpredictable for families.</li> <li>• Bookings would be restricted to the age of the room that the cancellation or vacancy applies to.</li> <li>• Unable to provide care to school aged children</li> </ul>
Operational Environment	<ul style="list-style-type: none"> <li>• Operating environment equipped to provide quality Education and Care service for children.</li> </ul>	<ul style="list-style-type: none"> <li>• Nil</li> </ul>
Equity	<ul style="list-style-type: none"> <li>• Introduces increased geographic coverage of an occasional care service for families if offered in all of Council's Children's centres.</li> <li>• Redistributes unused child care places on a daily basis.</li> <li>• Connie Benn Occasional Care service provides alternative option for families where casual care may be unaffordable due to fees that apply.</li> <li>• Provides a far more accessible model for families wishing to engage in activities other than accessing the gym, such as respite, interviews, part time work, and non-gym based leisure.</li> </ul>	<ul style="list-style-type: none"> <li>• For families that are not eligible for Child Care subsidy, service may be less affordable</li> <li>• Some families that have gym memberships may find the location less convenient</li> <li>• Service is tied to the location of Council operated children's centres.</li> </ul>

## **Discussion**

69. The four options have been considered by officers to inform a future direction for the Occasional Care Service. The options respond to both issues associated with the current service model and opportunities that have arisen through the introduction of the Federal Child Care Package.

### **Option 1 – Occasional Care services continue to be provided by Council in all Leisure Centres as a Type 1 service**

70. Option 1 fails to respond to issues outlined in the review and Council continues to be exposed to significant risks as detailed. This option accepts continued low rates of utilisation and over time, increasing service costs. The option has a limited reach and effectively constrains expansion of current and future Leisure programs.

### **Option 2 – Cease operation of type 1 service in all Leisure Centres and establish a Council operated Type 2 Occasional Care service**

71. Option 2 represents a model that builds on the success of the Connie Benn Occasional Care service model and enhances Yarra's offer of centre based child care. This service model has also demonstrated viability over time.
72. This option is intended to compliment Option 4 by providing an option that is potentially more affordable for some families.
73. As part of this option, three potential locations for establishing a Council run Type 2 service are included. However it should be noted that alternative locations are extremely limited if the 3 options are not proven to be suitable.
74. Of the three locations, the preferable location is the North Carlton Children's centre given the geographic location and opportunity to integrate or co-locate the service with other early years services such as kindergarten and long day care. The option would utilise space within the centre that is currently underutilised.
75. Occasional Care is not currently offered in this part of the municipality and would augment the geographical coverage provided by Occasional Care at Connie Benn. Further investigation including quantity surveying, would be required to determine the cost of capital works to ensure the building was fit for purpose.
76. Locating a Type 2 service at Richmond Leisure Centre does not respond to issues identified in the Service Review and viability of a stand-alone service remains untested.
77. The quality of the experience for children remains questionable with no access to outdoor play space at Richmond Leisure Centre and risks around proximity to the pool deck remain ever present.
78. Similarly, viability of a stand-alone service at the Richmond Family Centre remains untested and families would not be exposed to other relevant family services in this location.
79. Capital works are likely to be required for these locations and this has not yet been costed.

### **Option 3 – Cease operation of Type 1 service in all 3 Leisure centres and support and external provider to deliver a Type 2 Occasional Care service in Yarra**

80. Option 3 presents a number of challenges in both attracting an external service provider and locating suitable accommodation.

81. There are also staffing implications that would need to be considered including the redeployment of staff, transfer of business and loss of Educators currently employed in the Occasional Care service.

**Option 4 – Introduce an Occasional Care offer in existing Council run Children’s centres utilising vacancies and absences within the services. Includes introduction of a childcare booking App as a tool for promotion and managing both the offer and bookings on a daily basis**

82. Option 4 presents an innovative response to the demand for casual or flexible forms of care without adverse financial impacts and providing a potentially responsive and user friendly service for families.
83. Whilst business rules would need to be established, the model could be piloted in one of Council’s Children’s Centre’s within a reasonable timeframe.
84. If the model was successful, it could be implemented in the remaining Council operated Children’s Centres providing significantly better geographic coverage for the provision of Occasional Care services.
85. The significant community benefit being that unused childcare places would be redistributed on a daily basis.
86. For families that are not eligible for the Child Care Subsidy the service may be unaffordable given fees are the same as long day care fees. Families in circumstances such as these could be directed to Occasional Care at Connie Benn as an affordable alternative service option. Or, potential to refer families to a second Occasional Care service located at a Council operated child care centre.

**Financial Scenarios for families**

87. The following table highlights the cost for families according to application of full fee, concession fee, 85% Child Care Subsidy (the maximum subsidy available) and 50% Child Care Subsidy. These costs have been calculated in relation to Options 1, 2 & 4. Costs have been shown for Connie Benn because Option 2 would be modelled on a similar fee structure as applies to the Connie Benn Occasional Care service.

<b>Service or Option</b>	<b>Session Length (hours)</b>	<b>Total fee for a Session</b>	<b>Hourly rate full</b>	<b>Total fee if Concession or Child Care Subsidy fee (CCS) applied</b>	<b>Hourly rate Concession</b>
<b>Option 1</b> Type 1 Occ Care Leisure Centre	1.5	\$11.25	\$7.50	\$4.30 (Conc)	\$2.87 (Conc)
<b>Option 2</b> Connie Benn Occasional Care	4	\$28	\$7.00	\$10 (Conc)	\$2.50 (Conc)
<b>Option 4</b> Casual Care within Long Day Care	10.5	\$116.50	\$11.65	\$17.48 (85% CCS)	\$1.66 (85% CCS)

				\$58.25 (50% CCS)	\$5.55 (50% CCS)
	Half day option (5hours)	\$58.30	\$11.65	\$8.70 (85% CCS)	\$1.70 (85% CCS)
				\$29.20 (50% CCS)	\$5.80 (50% CCS)

88. The table illustrates the cost for families and shows that families eligible for 85% CCS would pay a significantly lower hourly rate than families using Occasional Care in the Leisure Centres. The hourly rate is provided for comparative purposes. Currently Council could only offer casual care at the long day care fee (daily). This is because of how the Child Care Subsidy is set up in the system but there is an expectation that providers will be able to provide more flexible casual care arrangements such as half day bookings in the future.

### Summary

89. Recent changes at the Federal level have introduced opportunities to broaden the suite of centre based child care options for families.
90. A review of Type 1 Occasional Care services has shown a pattern of low utilisation has persisted over time with an average rate of 36% across the 2016/2017 financial year.
91. In the 2016/2017 financial year, of the average number of 100 bookings per week, 55 families utilised the service twice a week.
92. During the consultation, families highlighted the lack of flexibility, inconvenient session times and limited hours of service delivery as barriers to service.
93. Families utilising the service wished to see Occasional care offered over longer and varied session times.
94. Option 4 represents an innovative solution to issues and challenges associated with the existing Type 1 service based on opportunities created through the recent Federal changes.
95. This Option seeks to provide a flexible and responsive service for a wider cohort of families within an operating environment that is equipped to provide a quality Education and Care service for children.
96. The model could be readily trialled in accordance with the draft Implementation Plan.
97. Option 2 seeks to compliment Option 4 through introducing more choice for families. This Option would be modelled on the success of the Occasional Care service located at Connie Benn offering families in Yarra greater choice of service type and cost.
98. The preferred Options represented by Option 2 & 4 respond to families concerns and provide an innovative service response. Given the advantages of each of these options, officers intend to recommend exploring both models as a pilot.

### Next Steps

99. A draft Implementation Plan has been prepared that reflects preferred options 2 & 4 discussed in this report. The draft Implementation Plan is outlined in 2 stages as follows:

### **Stage 1 - Implementation**

- Establish 6 month pilot for casual care, commencing in January 2019, in a Council run child care centre.
- Cease operation of Collingwood and Fitzroy Type 1 Occasional Care service due to ongoing risks, amenity issues and to support the testing of the casual care service.
- Continue to operate Type 1 Occasional Care at Richmond Leisure Centre to support transition to the casual care model.
- Undertake evaluation of the pilot including number of casual places offered, number of places taken up, community consultation.
- Investigate options for Occasional Care Type 2 service (site preference for North Carlton Children's centre due to underutilised space upstairs).
- Note- Occasional Care service at Connie Benn continues.
- Undertake evaluation of Stage 1 and report to Council.

### **Stage 2 – Implementation (subject to successful stage 1)**

- Any identified savings from year 1 (reduced operation of Type 1 services) to be invested in establishing an additional Type 2 Occasional Care service.
- Cease operation of Type 1 Occasional Care service at Richmond Leisure Centre.
- Space currently occupied by Occasional Care returned to Leisure along with potential increase in child and family programming at Yarra Leisure Centres.