



PORT STEPHENS
COUNCIL

MAYORAL MINUTE
24 AUGUST 2021

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MAYORAL MINUTES

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ITEM NO. 1

**FILE NO: 21/228341
EDRMS NO: PSC2015-01024**

WAIVING CHILDCARE GAP

THAT COUNCIL:

- 1) Recognises the financial impact on families from the COVID-19 lockdown.
 - 2) Provides support for families through waiving the collection of gap fees in Outside School Hours services from those families choosing not to send children to care during the lockdown period.
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BACKGROUND

The Hon Alan Tudge, Minister for Education and Youth, has announced that childcare services can waive gap fees from the first day of any hotspot declaration exceeding a week. For Port Stephens Council OOSH services, this refers to Friday 13 August 2021.

Gap fees are the portion of the childcare fee, which parents pay directly to Port Stephens Council. The remainder of the childcare fee is paid to Council as Childcare Subsidy from the Federal Government.

Services choosing to waive gap fees will continue to receive the Childcare Subsidy portion. Gap fees can only be waived for families who receive the Childcare Subsidy and are choosing to keep their children at home during the lockdown period. Families who continue to send their children to care continue to pay the full fee as usual.

Gap fee waiving helps parents keep their children enrolled without having to pay for a service they are not using. The benefit to Port Stephens Council is that waiving gap fees encourages families to maintain their enrolment rather than cancelling.

With most families keeping their children home from school, our OOSH services have experienced a significant drop in children attending. If the lockdown continues, many families will choose to cancel care. By encouraging families to maintain enrolment, Council will continue to receive a portion of the fee for children not attending. Services can reduce expenditure by deploying only permanent staff to cover regulated Child:Educator ratios as fewer staff are currently required.

Maximising income and reducing expenditure will improve budget outcomes during the lockdown period. Throughout COVID-19 restrictions in 2020, Children's Services benefited from substantial government subsidies. Similar support cannot be expected this year, as it has not been forthcoming despite an extended period of lockdown in Greater Sydney.

Data:

- Since the lockdown was announced 2 weeks ago in Port Stephens, 82% of booked child attendances across all OOSH services have been absent from care.
- Between March 2020 and April 2020 when lockdown commenced 89% of booked positions were cancelled.
- The proportion of childcare fees collected by Council, which is paid by parents, depends on the Childcare Subsidy of each family. Across the Children's Services budget it averages about 55%.

FINANCIAL/RESOURCE IMPLICATIONS

If Council continues to collect gap fees for families not using OOSH care during lockdown, it is likely that many families will cancel their bookings.

If a high proportion of OOSH families cancel their bookings during lockdown then the Children's Services budget will experience a significant deficit.

If Council waives the collection of gap fees for absences during lockdown then a significant proportion of the fee, approximately 45%, will still be collected through Childcare Subsidy.

ATTACHMENTS

Nil.