

RELEVANT INFORMATION FOR COUNCIL

FILE: X002996 **DATE:** 23 June 2016
TO: Lord Mayor and Councillors
FROM: Bill Carter, Chief Financial Officer
THROUGH: Monica Barone, Chief Executive Officer
SUBJECT: Information Relevant To Item 6.2 - Integrated Planning and Reporting Program and Budget 2016/17 - Adoption - At Council - 27 June 2016

That the Lord Mayor and Councillors note the information contained in this memo.

Purpose

To provide information to the Lord Mayor and Councillors in response to questions raised at the Corporate, Finance, Properties and Tenders Committee meeting held on 20 June 2016 in relation to the items listed below.

Background

The City's suite of Integrated Planning and Reporting 2016/17 documents, including the draft Operational Plan and Budget, were endorsed by Council for exhibition for 28 days and subsequently re-presented to Committee for endorsement on 20 June 2016.

Further information was requested on the items listed below.

Item 1 – Flood Plain Management Committee - actions arising from flood studies funded as part of the budget and examples of what might be funded in the future.

The 2016/17 financial year budget includes provision for:

- Construction of Joynton Avenue Trunk Drain – O'Dea Avenue to Zetland Avenue, Zetland
- Construction of Green Square Trunk Drain – Link Road, Zetland to Alexandra Canal, Alexandria,
- Design of Ashmore Precinct Trunk Drain – Coulson Street, Erskineville to Alexandra Canal, Alexandria
- Concept design to raise footbridges along Johnsons Creek, Glebe

Examples of future capital works and expenditure within the long term budget include:

- Victoria Street, Potts Point - Drainage Improvements
- Shea's Creek, Alexandria - Trunk Drain and Walls
- Incorporate flooding information in Local Disaster Plan.
- Update the Sydney DCP and LEP to inform Councils Interim Floodplain Management Policy.

Item 2 - Proposed Fee Increase at Alexandria Child Care Centre

Of the 96 families who attend Alexandria Child Care Centre, a total of nine submissions were received regarding the proposed fee increase for 2016/17. The existing and proposed fees are:

Existing fees 15/16	Proposed fees 16/17
Childcare fees under 3's - \$95/day over 3's - \$90/day	Childcare fees under 3's - \$100/day over 3's - \$95/day
Childcare fees – reduced rates for eligible families under 3's - \$79/day over 3's - \$74/day	Childcare fees – reduced rates for eligible families under 3's - \$81/day over 3's - \$76/day
late fees (for children not collected after 5.30pm after one warning)	Late Fees - for children not collected by closing time after one warning
up to 10 minutes after 5.30 - \$20 between 10 and 20 minutes after 5.30 - \$30 between 20 and 30 minutes after 5.30 - \$40 between 30 and 40 minutes after 5.30 - \$50 between 40 and 50 minutes after 5.30 - \$60 between 50 mins and 1 hr after 5.30 - \$70	Up to 10 minutes after the service closes per family \$20.00 Between 10-20 minutes after the service closes per family \$30.00 Between 20-30 minutes after the service closes per family \$40.00 Between 30-40 minutes after the service closes per family \$50.00 Between 40-50 minutes after the service closes per family \$60.00 Between 50 minutes and 1 hour after the service closes per family \$70.00

Two of the submissions received supported the increase, with one expressing the hope 'that educators also get to benefit from the increase, they do a phenomenal job and deserve to be remunerated accordingly'.

The remaining submissions expressed concern and objection to the increase, which ranges between 5.2 and 5.5% for full fees, enquiring why it is higher than the inflation and wage increase rates for 2016. Additionally, it was noted that the Centre charges the highest fee for children under the age of three, where most other centres charge a higher rate for children under the age of two.

The City of Sydney operates four early childhood education and care services that charge fees to families to partially recover the costs of provision. Alexandria Child Care Centre provides care to children aged 0-6 years. Families accessing these services are able to claim the child care benefit (CCB) and child care rebate (CCR) to offset costs of fees if eligible.

The City has conducted a full review of its fees and charges in Child & Family Services, considering funding allocations and completing benchmarking and comparisons to other services in the LGA.

In 2016/17 the fees at Alexandria Child Care Centre have been increased to account for increased operational expenses. These include costs associated with changes to staff ratios under the Education and Care Services National Law & Regulations. The City has been working on accommodating these over the past few years by gradually increasing fees by slightly more than CPI. The 5.2 – 5.5% fee increase (slightly above CPI) applies only to full fees. Reduced rate fees for low income and disadvantaged families have increased by slightly less than CPI.

Based on previous feedback, fees and charges have also been adjusted to ensure families are not charged for public holidays. Minimal costs incurred for public holidays (including salaries) have been incorporated into the daily fee.

In regard to charging a higher rate for children under three than children under two, a slightly higher rate is charged to cover some (not all) of the costs generated by the educator to child ratio requirements:

Age of children	Educator to child ratio
Birth to 24 months	1:4
Over 24 months and less than 36 months	1:5*
Over 36 months and not yet attending school	1:10

* Ratio was 1:8 until 31/12/2015

Our benchmarking survey conducted twice yearly indicates that other services in the LGA charge in a variety of ways. The three most common being:

- Differing rates for children aged 0-2 years, 3 years and 4-5 years
- Differing charges for children aged 0-2 years & 3-5 years
- Differing charges for children aged 0-3 years & 4-5 years

The new fees and charges also reflect the high quality of programs, services and facilities we offer our community, while ensuring value for money for our customers. The new prices reflect market value, compared with other non-profit facilities.

Our updated fees and charges will ensure we can continue to offer a range of excellent programs in the future.

Bill Carter, Chief Financial Officer

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approved

P. M. Barone

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