

Waverley Council Early Education Centres

Information about fee increase

1. What is Council doing about its Early Education Centre fees?

On 18 February at the Waverley Council meeting, Council made the difficult decision to approve the proposed child care fee increase of \$12 per day across our Early Education Centres (EECs). This is following the public exhibition period of the fee proposal that ran from 13 December 2019 to 31 January 2020.

2. What are the new fees and when do they come into effect?

From 2 March 2020, the new fees for each of the centres will be:

- \$128.00 per day for 3 year olds and over
- \$134.00 per day for 0 - 3 year olds

3. Why is Council raising its fees?

Keeping services accessible for local families remains a high priority for Council. The new fees have been set with the aim to help recover a significant budget shortfall.

Council routinely sets new fees annually in July that are in line with the Consumer Price Index (CPI). Over recent years, EEC fees have been maintained at a low level, with increases of 3%-4%. However, a recent financial review showed that Council's fees have not sufficiently kept up with industry changes and the rising cost of providing care.

Labour costs, which make up the bulk (75-80%) of operational budgets, have significantly increased and this coupled with revised internal charges has resulted in an expected budget shortfall of more than \$1 million in the last financial year.

4. What feedback did Council receive while the fee proposal was on public exhibition?

A total of 29 submissions (9% of EEC families) were received from 13 December 2019 to 31 January 2020.

Overall, small fee increases were supported to cover inflation and wage increases, particularly if necessitated by building or maintenance works or other pressing priorities. However, 28 submissions expressed some concern about the impact of the fee increase on household budget and affordability of care.

5. Will there be another fee increase in July for the 2020 CPI price increase?

No. The new fees include the July 2020 CPI price increase.

6. Will anything change once the fee increase is implemented?

Council officers are working hard to identify and start implementing cost containment strategies. Some of these actions are quick wins, while others relate to optimal staff cover and rosters which will take more time to be realised.

Traineeships have been re-established in each of the centres to help meet ratios, support workforce development and contain costs. Council is also working hard to replenish its casual pool of experienced and loyal staff to reduce dependency and cost of agency staff.

Council will also engage an external consultant to do a broader service review which will articulate a vision for early education and care services and consider service options, operational efficiencies and pricing, optimal staffing and quality enhancements.

7. Will families be involved in this process?

Families have expressed a keen interest to participate in discussions about the future of children's services. The recent survey and this review provide genuine opportunities for Council staff to facilitate greater engagement with families to plan and develop strategies that strengthen education and care services.

8. Will there be any new service improvements?

Council has received feedback from some families about possible service enhancements once the new fee increase has been implemented. These suggestions include:

- Earlier opening time
- Breakfast for children starting early
- Integration of some extracurricular activities in daily fees
- A strong focus on communicating educational program and practice
- Improvements to facilities.

There is scope for innovation, efficiencies and quality enhancements. We are looking forward to working closely with our families to further develop some of these ideas which can be considered as part of the broader service review.

9. What is the service model Council's EECs operate under?

EECs operate on a cost recovery model. Council's fees are set at a level that should cover its operations. Council EECs do not make a profit and this fee increase helps with recovering part of the current and anticipated future loss. Provisions to meet the true cost of care are being considered in budget planning and development, partly driven by changing usage patterns, parental expectations, industry trends and labour market demands.

10. How does Council's EEC fees compare with other child care providers in the area?

The average local fee of child care in the Waverley LGA is \$139. This figure is based on a comparison of both private and Not-For-Profit providers. As a Local Government agency, we are committed to operate EECs in the best interests of our community and endeavor to keep fees as low as possible.

11. What's next?

We would like to engage with families over the next few weeks to continue this dialogue about Council's children's services offerings, the cost of care and opportunities for innovation. We will update you with further details about these opportunities.

In the meantime, please speak to your Director if you have any queries about your fees. Alternatively, please contact Michelle Carrick, Manager Children and Family Services on 9083 8621 or email michelle.carrick@waverley.nsw.gov.au.