



# SUPPLEMENTARY AGENDA

**General Meeting - 510**

**24 June 2020**

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**5. COMMUNITY & ENVIRONMENTAL SERVICES SESSION (Cr M Gillam)**

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**ITEM 5.4  
BIRRALEE CHILD CARE CENTRE - COMMONWEALTH GOVERNMENT  
TRANSITION PAYMENTS**

*Meeting / Session:* 5 COMMUNITY & ENVIRONMENTAL SERVICES  
*Reference:* A20182856 : 20 June 2020  
*Responsible Officer:* MM, Manager - Community Services, Sport and Recreation (CES Community Services, Sport & Recreation)

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**Executive Summary**

This report seeks Council's approval to delay the implementation of Council's adopted 2020/21 fees and charges for Birralee Child Care Centre to 28 September 2020 and continue to implement the applicable 2019/20 fees and charges up to 27 September 2020.

Retaining the 2019/20 Birralee Child Care Centre fees and charges over this period will enable Council to meet the eligibility requirements of the recently announced Commonwealth Government 'Transition Payments' which would provide an estimated net revenue benefit to Council of circa \$62,000.

**OFFICER'S RECOMMENDATION**

1. That the implementation of Council's 2020/21 fees and charges for Birralee Child Care Centre be delayed to 28 September 2020.
2. That Council's 2019/20 Birralee Child Care Centre fees and charges be retained for the period of 1 July 2020 to 27 September 2020.
3. That recommendations 1 and 2 above be contingent upon Council receiving the Commonwealth Government Transition Payments as referenced in this report.

*ITEM 5.4 BIRRALLEE CHILD CARE CENTRE - COMMONWEALTH GOVERNMENT TRANSITION PAYMENTS - A20182856 (Cont.)*

**REPORT DETAIL**

**1. Background**

On 6 April 2020, the Commonwealth Government introduced the Early Childhood Education and Care Relief Package (the Relief Package) that was purposed to support both families and approved child care services to traverse the impacts of the COVID-19 pandemic. The Relief Package was initially introduced for the period of 6 April to 28 June 2020, however was subsequently extended to 12 July 2020.

The Relief Package:

- supports families by mandating that child care centres provide free child care; and
- supports child care centres by:
  - providing Child Care Subsidy (CCS) payments equalling 50% of service revenue (calculated for the reference period of 17 February - 1 March 2020); and
  - assisting with staffing costs under the JobKeeper program.

Government-run child care centres, such as Council's Birralelee Child Care Centre, have been significantly impacted as a result of the Relief Package due to their required provision of free child care to families, and their ineligibility to receive assistance with staffing costs under the JobKeeper program.

With the conclusion of the Relief Package approaching (12 July 2020), on 8 June 2020 the Commonwealth Government announced a non-competitive grant opportunity available to all child care services. This grant opportunity represents a series of 'Transition Payments' from 13 July 2020 to 27 September 2020 (the Transition Period). These Transition Payments are purposed to support child care centres to transition from the concluding support mechanisms of the Relief Package (ie. 50% Child Care Subsidy payments and Job Keeper allowance payments), back to standard operating arrangements.

Whilst local government managed child care services have been ineligible for part of the Relief Package (i.e. JobKeeper payments), they will be eligible to receive the Transition Payments referenced above.

This eligibility however is subject to the service:

1. being an approved child care provider under the family assistance law;
2. not receiving JobKeeper on behalf of their employees from 20 July 2020 (or, if the provider is a sole trader, not receive JobKeeper for themselves);
3. not charging fees in the Transition Period (13 July - 27 September 2020) that exceed the fees charged by the provider in the relevant reference period (17 February - 1 March 2020), and
4. continuing over the Transition Period to employ those employees who were paid in the fortnight leading up to the end of the Relief Package (12 July 2020), including those who worked, were on short-term leave, or who did not work but were paid JobKeeper, but excluding those on long term leave and contractors.

It is estimated that for Birralelee Child Care Centre, these Transition Payments would total circa \$88,000 over the Transition Period.

**2. Explanation of Item**

On 10 June 2020, Council adopted its 2020/21 fees and charges which will take effect from 1 July 2020. Table 2.1 below provides a comparison of the 2019/20 Birralelee Child Care Centre fees and charges, and those adopted for the 2020/21 financial year.

Table 2.1 - Birralelee Child Care Centre Fees and Changes

Fee	Fee Unit	2019/20 Fee	2020/21 Fee
Child Care Fee - Children (Over 24 months)	Per Day	\$99.00	\$106.00
Child Care Fee - Babies & Toddlers (Under 24 months)	Per Day	\$101.00	\$109.00
Waiting List Fee	each	\$10.00	\$10.00
T/Shirt	each	\$18.00	\$20.00

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## ITEM 5.4 BIRRALLEE CHILD CARE CENTRE - COMMONWEALTH GOVERNMENT TRANSITION PAYMENTS - A20182856 (Cont.)

Fee	Fee Unit	2019/20 Fee	2020/21 Fee
Sheet Levy	each	\$1.20	\$1.20
Parent Information Packs	Each	\$40.00	\$45.00
Hats	each	\$16.00	\$17.00
Underpants	Each	\$3.00	\$3.00
Nappies	Each	\$2.00	\$2.00
Birralee Child Care Centre - Sunscreen Levy	per booked day per year	\$2.50	\$2.50
Late Fee	each	\$10.00 for the first 10 mins, \$2.00 per minute thereafter.	\$10.00 for the first 10 mins, \$2.00 per minute thereafter.

Due to the eligibility requirements of the Commonwealth Government's Transition Payments (refer section 1 of this report), Council would only be eligible to receive this funding if it were to not charge fees that exceeded those charged in the 2019/20 reference period of 17 February - 1 March 2020.

Should Council implement its adopted Birralee Child Care Centre fees from 1 July 2020, it is anticipated that an additional \$25,685 in fee revenue would be generated during the Transition Period in comparison to the equivalent period in 2019/20. However, due to the eligibility requirement of the Commonwealth Government Transition Payments, approximately \$88,000 in grant revenue would be forfeited.

Accordingly, this report recommends that, subject to Council receiving the Commonwealth Government Transition Payments referenced in this report, the implementation of Council's adopted 2020/21 Birralee Child Care Centre fees and charges be delayed to 28 September 2020.

Further, the report recommends that the 2019/20 Birralee Child Care Centre fees and charges be retained for the period of 1 July 2020 to 27 September 2020.

### 3. Strategic Implications

3.1 Legislative / Legal Implications  Nil identified

3.2 Corporate Plan / Operational Plan  
Strengthening Communities: Healthy and supportive communities - a healthy and inclusive community.

3.3 Policy Implications  Nil identified

3.4 Risk Management Implications  Nil identified

3.5 Delegated Authority Implications  Nil identified

#### 3.6 Financial Implications

The recommendations of the report seek Council's approval to delay the implementation of its adopted 2020/21 Birralee Child Care Centre fees and charges to 28 September 2020. This would enable Council to apply for Commonwealth Government Transition Payments for the period of 13 July to 27 September 2020.

Delaying the implementation of these fees would result in an estimated \$25,685 reduction in fee revenue for the 2020/21 financial year, however would enable Council to generate an additional \$88,000 (est.) in grant revenue through the above-mentioned Commonwealth Government Transition Payments, resulting in a net benefit to Council of circa \$63,315.

3.7 Economic Benefit Implications  Nil identified

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*ITEM 5.4 BIRRALEE CHILD CARE CENTRE - COMMONWEALTH GOVERNMENT TRANSITION PAYMENTS - A20182856 (Cont.)*

3.8 Environmental Implications  Nil identified

3.9 Social Implications  Nil identified

3.10 Human Rights Implications

Under the *Human Rights Act (Qld)*, Council must not make a decision which is incompatible with human rights. Council must also give proper consideration to any human rights relevant to its decision. Officers consider that there are no human rights implications relevant to Council's decision.

3.11 Consultation / Communication

Director - Community and Environmental Services

Director - Finance and Corporate Services

Commonwealth Government Department of Education, Skills and Employment

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**6. FINANCE & CORPORATE SERVICES SESSION**

**(Cr M Constance)**

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**ITEM 6.4**

**UNITYWATER CONSENT TO FUND STRATEGIC INVESTMENT**

*Meeting / Session:* 6 FINANCE & CORPORATE SERVICES  
*Reference:* A20188438 : 22 June 2020 - **Refer Supporting Information A20190874, A20190892, A20190879**  
*Responsible Officer:* DC, Accounting Services Manager (FCS Accounting Services)

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**Executive Summary**

The purpose of this report is to seek Council approval in accordance with the *Participating Local Government Loan Agreement (Subordinated Debt)* and the anticipated Intercreditor Deed for Unitywater to pursue transactions such as to acquire shares and provide loans in accordance with the approval granted by Queensland Treasury.

**OFFICER'S RECOMMENDATION**

1. That Council approves:
  - a) Under clause 9.4(g) of the *Participating Local Government Loan Agreement (Subordinated Debt)* of Unitywater providing financial support of any kind to a Subsidiary or an Associated Entity that has financial accommodation provided by an entity other than the Lender, the Borrower or a Subsidiary, subject to recommendations b) and c);
  - b) The Intercreditor Deed as anticipated by the QTC letter of 27 May 2020; and
  - c) Transactions with a total value or dealings being less than \$50,000,000 over a 5-year period.
2. That Council's Chief Executive Officer be authorised to do such things and sign such documents as may be necessary to give effect to 1 (a) to (c) above.

ITEM 6.4 UNITYWATER CONSENT TO FUND STRATEGIC INVESTMENT - A20188438 (Cont.)

**REPORT DETAIL**

**1. Background**

By letter dated 19 June 2020 (refer Supporting Information #1) Unitywater advised it is exploring new and innovative ways to leverage its assets and applying the industry-leading skills and capabilities of its people to offer new products and services to customers through investments (financial or other) aligned with its core business to further increase its Customer Benefits.

**2. Explanation of Item**

Unitywater has the opportunity to invest in new or existing businesses that are either closely aligned with its core business (vertical integration) or enable delivery of core business services outside of Unitywater's current geographic region. Investments of this nature would provide Unitywater additional economies of scope and scale, as well as generate additional revenue streams and returns to Participant Councils if successful.

To achieve its 2027 goals, Unitywater expects to invest up to in aggregate \$50M in these proposed activities over the next 5 years. To make these investments, certain approvals are required.

Unitywater sought and received approval from the Queensland Treasurer on 18 November 2019 (refer Supporting Information #2) to establish one or more new Special Purpose Vehicles (SPVs) to pursue these proposed activities, which may require the acquisition of shares (Type 1), provision of loans (Type 2), and allow Unitywater to manage any associated risk through standard commercial legal structures.

Unitywater is now seeking to provide capital to the first of these SPVs which requires specific consents and confirmations from Queensland Treasury Corporation (QTC) and its Participant Councils to do so. Unitywater received the conditional consent from QTC on 27 May 2020 (refer Supporting Information #3), and requests that Council provides the necessary approvals in writing to Unitywater by 30 June 2020.

**3. Strategic Implications**

**3.1 Legislative / Legal Implications**

Council, as a participant in Unitywater, must provide approval in terms of clause 9.4(g) of the *Participating Local Government Loan Agreement (Subordinated Debt)*. Additionally, Council must provide approval that it is comfortable with Queensland Treasury Corporation (QTC) providing a standard consent under a Finance Document in favour of Unitywater in order for it to enter into future transactions in accordance with the Intercreditor Deed.

**3.2 Corporate Plan / Operational Plan**

Strengthening Communities: Strong local governance - strong leadership and governance.

**3.3 Policy Implications**

Nil identified

**3.4 Risk Management Implications**

Council as a participant in Unitywater, receives significant financial returns on an annual basis. The most significant risk to Council is that the investments proposed by Unitywater do not realise the returns anticipated and the financial returns to Council are subsequently impacted.

Matters concerning Unitywater would be classified as a strategic risk and managed in accordance with Council's Enterprise Risk Management Framework.

**3.5 Delegated Authority Implications**

Nil identified

**3.6 Financial Implications**

There is the potential that through these investments, Unitywater's returns to participant Councils will be impacted, either positively or negatively.



*ITEM 6.4 UNITYWATER CONSENT TO FUND STRATEGIC INVESTMENT - A20188438 (Cont.)*

3.7 Economic Benefit Implications

As per the Financial Implications.

3.8 Environmental Implications

Nil identified

3.9 Social Implications

Nil identified

3.10 Human Rights Implications

Nil identified

3.11 Consultation / Communication

Chief Executive Officer, Director Finance and Corporate Services, and Manager Legal Services.

**SUPPORTING INFORMATION**

Ref: [A20190874](#), [A20190892](#), [A20190879](#)

The following list of supporting information is provided for:

**ITEM 6.4**

**UNITYWATER CONSENT TO FUND STRATEGIC INVESTMENT**

***#1 - Unitywater letter to Moreton Bay Regional Council***

***#2 - Queensland Treasury letter to Unitywater***

***#3 - Queensland Treasury Corporation letter to Unitywater***