

# Aide-mémoire



**MINISTRY OF SOCIAL  
DEVELOPMENT**  
TE MANATŪ WHAKAHIATO ORA

## Cabinet paper

**Date:** 22 April 2020 **Security Level:** Cabinet Sensitive

**For:** Hon Carmel Sepuloni, Minister for Social Development

**File Reference:** REP/20/4/413

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### Childcare for essential workers at Alert Level 3

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<b>Cabinet Committee</b>	COVID-19 Ministerial Group
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<b>Date of meeting</b>	23 April 2020
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<b>Proposal</b>	<p>The Ministry of Social Development (MSD) and the Ministry of Education (MoE) have prepared this Cabinet paper to:</p> <ul style="list-style-type: none"><li>• provide an update on the uptake to date of childcare for essential workers</li><li>• seek agreement to a transition period for this childcare through Out of School Care and Recreation (OSCAR) providers and home-based early childhood education (ECE) providers until 8 May 2020.</li></ul>
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Suggested talking points on how in-home childcare from OSCAR providers will run during this time are provided. We expect that Minister Hipkins will speak to the ECE content.

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#### Key issues

On 25 March 2020, the group of Ministers with Power to Act on COVID-19 matters noted the need for childcare for essential workers during the four-week lockdown. Schools and ECE providers were not classified as essential services during the lockdown and were required to close.

On 3 April 2020 it was agreed that MSD and MoE would contract OSCAR and home-based ECE providers to provide in-home childcare for essential workers.

The Ministerial Group directed officials to report back on uptake and estimated costs of the services by 9 April 2020, and to advise on modelling of provision of the service at Alert Level 3 by 22 April 2020.

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**OSCAR:**

Community-based OSCAR programmes cannot resume at Alert Level 3. Agreement is sought for OSCAR providers to continue to provide in-home childcare to essential workers until 8 May 2020.

This will allow us time to assess the effect that Alert Level 3 has on demand for these services, and whether it would be appropriate for them to continue past this date. It will also allow essential workers utilising in-home services time to transition to their regular arrangements or to make new arrangements if necessary.

*Funding issues*

There is a risk that some OSCAR providers may fail if they are unable to operate for an extended period at Alert Level 3. Providing in-home childcare provides them with an alternative revenue stream that helps to ensure they remain viable. We will provide advice on OSCAR providers' ongoing viability as part of the proposed report-back.

**ECE:**

ECE centres can open at Alert Level 3. Agreement is sought to extend childcare for essential workers through home-based ECE providers to 8 May 2020. This will provide time for families to transition back to their usual arrangements, or to make new arrangements where necessary.

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**Suggested talking points on OSCAR**

- As at 21 April 2020, MSD had 49 active contracts for in-home childcare from OSCAR providers. 6,284 childcare hours have been delivered by this service, to at least 140 families and 260 children. The contracts have a total maximum value of \$3.332 million.
- At Alert Level 3, children aged 5-14 years will be expected to physically attend school only if they have no care available at home. They will not be able to do so if there are health issues that put them or their families at higher risk, or if there are restrictions on class sizes. Community-based OSCAR programmes will not be operating.
- At Alert Level 4, essential workers have been able to expand their bubble to include a person to provide childcare to their family only. This will continue at Alert Level 3 but families can further extend their bubble to include other close family or carers where needed. This will increase available childcare options. This, combined with the partial reopening of schools, is expected to reduce the need for in-home childcare from OSCAR providers at Alert Level 3.
- Despite this, alternative childcare arrangements still won't be possible for some families. We are proposing to provide

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in-home childcare from OSCAR providers to essential workers if this is the case. This will be accessible during, before and after, school hours as required for individual families.

- This will be for a transition period until 8 May to allow families time to return to their regular childcare arrangements, or to make new ones. We will re-evaluate the need for ongoing, in-home childcare from OSCAR providers by that date and will also provide information about the ongoing viability of OSCAR providers at that time.
- No new funding is required. The amount previously agreed to cover the service at Level 4 (\$6.760 million) will be enough to cover this extension.

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**Backpocket responses**

*Why can't OSCAR providers resume normal services at Alert Level 3 if schools and early learning centres can?*

- Schools and early learning centres are reducing the groups of children in classrooms or centres to 10 children per group. This is to maintain social distancing, and reduce possible transmission. The groups of children will not be allowed to mix.
- OSCAR programmes are delivered in a range of settings, such as community halls, churches, etc, with large open spaces. This makes it more difficult to prevent mixing between groups.
- Also, children attending OSCAR often come from different schools, and the children attending can differ each day, increasing the potential range of transmission of the virus if one child were to contract it.

*How do these changes affect eligibility for the Childcare Subsidy?*

- While childcare centres are closed, Childcare Assistance payments to providers have been paused.
- As children who can stay at home are required to continue to do so, MSD is anticipating a significantly lower demand for the Childcare Subsidy than normal. If all or most ECE centres were reopening in their normal capacity, MSD would consider a blanket undoing of the current suspension.
- However, given that this is not the case, and that ECE centres have shown reluctance to open at all during Alert Level 3, MSD will be addressing the restarting of the Childcare Subsidy on an individual provider basis.
- MSD is developing proactive communications to providers to encourage them to contact them if they are planning to reopen their centres at Alert Level 3.

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- When MSD know that providers are planning to reopen centres, they will use the information they already have on hand about the Childcare Subsidy providers were receiving prior to the Level 4 lockdown, and resume Childcare Subsidy payments in cases where the child has returned to care and their parent remains eligible for the Childcare Subsidy.

*Can ECE providers continue charging parents fees if their children don't immediately return to their services?*

- Whether an ECE centre will continue to charge fees if children don't immediately return to their services is dependent on the individual centre's service fee policy. There is no regulatory body to determine when centres can and cannot charge fees.

*Why are funded in-home childcare services not being provided to all workers returning to work?*

- We are focusing on essential workers, as we want to focus on providing the service where it is most needed. There are more serious consequences if essential workers are taken out of the workforce because there is no childcare available.
- We also want to be confident that we can meet demand for services. It is difficult to predict how many workers will be returning to work at Alert Level 3, and the Prime Minister has noted that although most schools will open on 29 April 2020, this will differ depending on the school.

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