

6.2.3 Cardinia Life Creche

Responsible GM: Lili Rosic
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Recommendation(s)

That Council:

1. Notes the Cardinia Life creche utilisation has decreased over the past four years
2. Endorses the measures detailed in Option 1 in the report to operate the service more sustainably
3. Endorses a fee per 90 min session of \$10.65 for members, \$12.10 for non-members, and \$14.70 for occasional care users from 1 January 2022
4. Thanks the creche users and Cardinia Life members for their feedback to the Cardinia Life Survey.

Attachments

1. 2021 Cardinia Life Creche Survey results counts [6.2.3.1 - 1 page]

Executive Summary

The Cardinia Life creche has been operating for 15 years. Utilisation of the creche has reduced from an average of 16 children attending over a three year period, to seven attending in 20/21. With declining attendance, efforts have been made to increase patronage and reduce expenditure.

The Cardinia Life service is operating at a cost of over \$100,000 annually with current attendances.

Creche users (26) and facility members (1,056) have been surveyed to better understand how often the service is being used, willingness to pay an increased fee, and what they would they do if the service was no longer provided. The results of the survey indicate a willingness of creche users to pay an increased fee, and that the majority of creche users would stop using Cardinia Life if the creche was not available.

This report explores options for the future operation of the Cardinia Life creche service including continuing to operate targeted childcare that enables access in a more sustainable manner or closing the service at the end of the financial year.

Background

The Cardinia Life creche commenced operating when Cardinia Life opened in 2006. The creche operates two sessions, 90-minute duration, Monday to Friday:

- 9:00am-10:30am
- 10:40am-12:10pm

A third session from 12:15pm-1:45pm has been offered in the past to meet higher demand.

To comply with the major recreation facilities contract 15/01, the service must operate in accordance with the Education and Care Services National Law Act, Victorian Children's Services Act and Children's Services Regulations, along with any other relevant legislative or government requirement.

Staffing to child ratios include:

- 1 staff member to every four children under three years
- 1 staff member to every eleven children three years and over

With a capacity of 31 spaces and in line with the above ratios, the creche requires five staff: Three of the educators must have, or be actively working towards, an approved diploma level qualification (minimum requirement). Two of the educators must have, or be actively working towards, an approved certificate three level qualification (minimum requirement).

No child can be in care for more than 15 hours per week, and no more than nine school aged children can be in attendance on a particular day.

All educators (except for one) are diploma qualified and have been working with Aligned Leisure for in excess of three years. Educators are paid based on their level of qualification and their duration of service in line with the Children's Services Award.

Upon opening Cardinia Life, the creche was only available to members and casual users of the facility while they participated in activities at the facility. Occasional care, which allows parents to drop children at the service and leave Cardinia Life, was introduced later.

In 2016, with high demand (an average of 24 children per session) the following priority booking attendance criteria was introduced to manage bookings:

1. members using the facility
2. non-members using the facility
3. members leaving children at the facility but not to use the Centre's facilities
4. non-members leaving children for care but utilising the Centre's facilities

The first session was fully booked each day making it difficult for new members and casual facility users to access the creche, therefore occasional care was not provided as an option for the first session.

The creche space at Cardinia Life has been used to run group fitness classes outside of creche hours, however because of the staffing costs associated with set-up/pack-up requirements it is rarely used as a hire space.

Refer to table 1 below for utilisation rates since 2016.

Table 1 Crèche attendance

Financial Year	Average attendance per session
16/17	24
17/18	16
18/19	15
19/20	16
20/21	7

Since reopening, attendance data for November:

- Week 1 – average 4 children per session
- Week 2 – average 9 children per session
- Week 3 – average 10.5 children per session

Wherever possible, the staffing structure is adjusted and reduced with lower attendances to mitigate the cost of the service. For example, switching staff to 'on-call' shifts rather than rostered shifts. This has helped to reduce the cost of the service.

Fees

Current session fees for the Cardinia Life creche are as follows:

Member	\$7.60
Non-member	\$8.65
Occasional care	\$10.50

Fees have increased in line with CPI annually.

Key Issues

Further to the presentations at the Council Briefing on 26 July & 9 August, the following has been undertaken and included within this report:

- Survey of creche users and Cardinia Life members, and analysis of the results. It was not possible to do this face-to-face because of the COVID-19 lockdown, instead the survey was emailed to users. Refer to attachment 1 for a summary of the results. A summary is provided later in this report.
- A summary of the consultation undertaken with other local childcare service providers on services operations, costs, and availability. The service providers included Beaconsfield Neighbourhood Centre, BestChance, and Windermere.
- Information about the principles of the childcare program at Cardinia Life, and other programs on offer within the facility to aid the development of children.
- Review of creche fees and comparison against local service providers. The cost for 1.5hrs for care at the time of writing the report was:

○ Cardinia Life current member fee (not eligible for subsidy)	\$7.60
○ Windermere pre subsidy fee	\$12.00-19.50
○ Beaconsfield Neighbourhood Centre	\$15.00
○ BestChance pre subsidy fee	\$15.60
○ Services Australia cap	\$18.46

The Cardinia Life creche service is more financially competitive than any other local service. This indicates that cost of the service is not likely to be a concern, rather that demand may be the issue impacting attendance numbers.

- The out-of-pocket cost for the family day care service varies for each user depending on the level of subsidy they receive from the Federal Government. There is no subsidy for the Cardinia Life creche service. The service can qualify to offer the subsidy, and more information is being sort to understand compliance requirements and resourcing.
- Collection of available data to review year on year costs and analyse attendance.
- Inclusion of further background information to show how the creche has operated.

Survey Results

A survey was sent to the 26 families currently using the creche service, and to 1,056 members of Cardinia Life. The unique link sent to participants was assigned to each email address, ensuring no one completed the survey twice. Therefore, none of the current creche users completed the Cardinia Life members survey.

A total of 1,082 users/Cardinia Life members were sent a creche survey with a unique URL link (to protect the integrity of the responses). Of those 1,082, 17 creche users responded, and 188 members responded, with only 39 members qualifying to use the creche.

Survey responses are provided in Table 2 below:

Table 2 Survey results

Creche Users (26)	Cardinia Life members (1,056)
17 responded (11 members)	188 (39 qualified with children in the creche age-range but do not use the creche service).
Number of days usage per week is spread evenly, with 2 respondents attending more than 4 days, 6 respondents attending 3 days, 5 respondents attending two days, and 4 respondents attending one day per week.	26 respondents visit Cardinia Life between 2-4 times per week. 7 respondents indicated daily visits.
12 of the 17 respondents use occasional care, with 5 respondents accessing it once per week.	When using Cardinia Life, 18 respondents leave children with a friend/family member, 15 respondents take their children with them, 14 respondents visit Cardinia Life when their children are in school/kindergarten.
If the creche was not available, 14 respondents said they would stop attending Cardinia Life.	
Creche users have indicated a willingness to pay an increased fee. Of the 11 responses to this question, 73% are willing to pay \$9.15 per session, 45% willing to pay \$9.90 per session, and 9% willing to pay \$10.65 per session.	27 member respondents indicated a willingness to pay an additional 20% fee, 22 respondents an additional 30% fee, and 12 an additional 40% fee.

12% of creche users and 3% of members were aware of other occasional or short-term care in Cardinia.

Major Recreation Facilities Contract with Aligned Leisure

Council's Major Recreation Facilities Contract requires Aligned Leisure to operate the creche enabling access to gymnasium, health and fitness and sporting competitions by parents with childcare responsibilities. Whether the creche service continues or not is determined by Council and it is not determined by Aligned Leisure.

If Council were not to provide creche services, the additional contract cost is estimated to reduce by \$140,000 (\$100,000 in saving from removal of the service, and \$40,000 in additional income for hire of the space).

Other childcare service providers

Council officers explored alternate childcare options near to Cardinia Life Creche.

Occasional Child Care in long day care setting

Officers have contacted other services providers in Pakenham including those nearby to Cardinia Life. No other private childcare facilities offered shorter sessions in occasional care services (only long day care), with feedback that the uncertain nature of bookings and staffing requirements make it difficult.

Council ceased the provision of occasional care about eight years ago because it was not a viable service.

Beaconsfield Neighbourhood Centre

Occasional or short-term care is provided by the Beaconsfield Neighbourhood Centre two mornings a week (Thursdays and Fridays). Sessions are 4 & 5 hours in duration and cost \$40 & \$50 per session.

Children do not need to attend for the entire session (for example late drop-off and early pick up is permitted), however parents must still pay the full cost of the session. When operating at normal capacity (not through COVID lockdowns), this service is well utilised with no vacancies, and a waitlist in place.

Family Day Care

Occasional or casual care is provided by Family Day Care operators within Cardinia Shire. Family Day Care is run in accordance with National Regulations. Family day care has an advantage that carers can drop off and collect children from kindergarten sessions. BestChance is one of the larger providers of family care in Cardinia, however they have announced that by the end of the year they will no longer be delivering family day care services. Windermere is the other large operator locally.

BestChance services are full. The cost for 90 minutes is \$15.60 (pre subsidy). A minimum stay of six hours is required for children not attending school, and two hours for school aged children.

Windermere family day care service costs range between \$12.00 - \$19.50 per 90 minutes (pre subsidy). Most services have a minimum 8-hour booking.

Council officers in the child and family services area have advised the Windermere service is very easy to use, they have an office located within Pakenham which parents and children can visit to discuss the service and register. Parents are entitled to the Federal Government childcare rebates for family day care according to their eligibility. This can make the cost of occasional or casual care through family day care very low and affordable.

If the Cardinia Life Creche was unavailable parents could choose to attend Windermere family day care services, however most providers have a minimum booking period and limited availability.

Children's Programming

The children's program at Cardinia Life creche is designed to accommodate the variety of ages and abilities of all children in the service. It aims to assist children to become independent learners through quality care and educational programming. Educators work together to develop a fortnightly program that is reviewed and adapted daily to support the changing needs and interests of the children. Photographic reflections are displayed, and parental input is highly valued.

The techniques used to deal with children's behaviour aim to provide children with a positive atmosphere and to establish opportunities for recognising and reinforcing appropriate behaviour.

Other children's programs on offer at Cardinia Life (in addition to the creche services) that facilitate development include:

- Tiger cubs' sports: focus on fundamentals of movement including object control and loco-motor skills. Targets children aged 3-5 years.
- Ready Steady Go Kids: develop and enhance age-appropriate gross motor skills, coordinator, and correct posture whilst introducing children to a variety of sports in a structured, safe, inclusive, and non-competitive environment. Targets toddlers and pre-schoolers.
- NetSetGo & Aussie Hoops: focused on the development of netball/basketball skills in a fun and social environment. Targets children aged 5-10 years.

- Mini Maestros: fun, active and educational music classes to aid development and encourage creativity and imagination. Targets children aged 6months to 5 years.

Options for Councillors' consideration

Council officers have considered the survey results, service demand, alternative childcare options, and benefits for members and explored the following options:

1. Continuing to operate Cardinia Life Creche more sustainably (recommended), or
2. Closing the service at the end of the financial year (refer to table below).

Refer to Table 3 below for further details.

Option 1 - Continue to operate the service more sustainably (Recommended)
<p>Increase promotion of the creche service through maternal and child health services, kindergartens, Cardinia Life members and more broadly to encourage membership.</p> <p>Further review the operation of the service, staffing to child ratios, and opportunities to reduce cost to Council as part of the proposed 3-year contract extension in June 2022.</p> <p>Increase fees from 1 January 2022. Even with the fee increase, the sessional fees at the Cardinia Life Creche are more competitive than other service providers. Proposed sessional fees are \$10.65 for members, \$12.10 for non-members, \$14.70 for occasional care users.</p> <p>Review the need for the creche as part of the consultation process for any future redevelopment.</p>
Advantages
<ul style="list-style-type: none"> • Onsite creche service provides convenient access for parents • Creates local jobs for childcare staff • Facilitates participation in active sport, particularly for women who traditionally care for young children, which is important for health and wellbeing.
Disadvantages
<ul style="list-style-type: none"> • Council will most likely continue to subsidise the service due to low attendance. The average cost per visit (child) to breakeven is \$40.35. Council does not subsidise other forms of childcare. • Opportunity cost – the room could be used for other purposes and potentially hired out for a rental income of \$40,000 - \$50,000 per annum • The cumulative cost to council of operating the creche service is approximately \$140,000 per annum. • The annual net cost of the creche (based on the proposed increased fee and current attendance) is \$91,638 per year (reducing to approximately \$54,150 if an average of 15 children attend per session).

<p>Option 2 Closing the service at the end of the financial year</p>
<p>The service would be removed from the major recreation facilities contract from the commencement of July 2022.</p> <p>Room hire is not available in Cardinia Life, use of the creche for room hire has the potential to target a wide variety of users, whilst cross promoting the other programs and services that Cardinia Life has to offer.</p>
<p>Advantages</p>
<ul style="list-style-type: none"> • Provides time for the small number of creche users to make other arrangements • Clean transition into the new leisure contract for Aligned Leisure • A saving of approximately \$100,000 from the creche operations and forecast additional income of \$40,000 -\$50,000 for room hire.
<p>Disadvantages</p>
<ul style="list-style-type: none"> • If the creche was not available, 14 survey respondents said they would stop attending Cardinia Life. This would equate to over \$10, 000 in membership fees annually. • Alternative childcare options are very limited: <ul style="list-style-type: none"> o Beaconsfield Neighbourhood House is more expensive at \$40-50 for 4-5hours and had a waiting list o Family day care providers requires children to use the service from 6-8 hours per day o Bestchance recently announced its closure

Other options considered:

- ***Reducing the number of days offered per week*** was not viable with the time/costs required for set-up and pack-up, and that a large amount of equipment remains in the room. This would be a barrier to room hire.
- ***Closing the service immediately*** was removed as an option, because it would leave families with no time to transition to another service

Policy Implications

Nil.

Relevance to Council Plan

1.1 We empower our communities to be healthy, connected and resilient

1.1.1 Plan for, and support the delivery of, accessible health and social services that address critical gaps in provision.

5.1 We practise responsible leadership

- 5.1.2 Manage our finances responsibly and leave a positive legacy for future generations.
5.1.4 Maximise value for our community through efficient service delivery, innovation, strategic partnerships and advocacy.

Climate Emergency Consideration

Not applicable to this report.

Consultation/Communication

Officers have benchmarked the service with other local governments, with a number experiencing similar attendance concerns at childcare services within leisure facilities. Some of these services have not reopened following lockdowns, others are being reviewed.

Industry consultants '@Leisure' prepared the Cardinia Life Feasibility Study and advised of a trend that childcare services are not being included in new leisure centre developments, primarily due to the operational costs of the service.

Surveys were developed and undertaken to capture feedback from current creche users and from the wider member base at Cardinia Life. 26 families currently using the creche, and 1,056 members of the facility were sent a unique URL and asked to complete the survey.

The survey asked existing creche users if they are willing to pay an increased fee for the service, whether they are members of Cardinia Life, if they use occasional care, if they use any other childcare services and what they would do if the Cardinia Life service was not available. The member survey seeks to understand whether members have used the creche, if they are aware of it/willing to use it, and if anything has stopped them from using it.

Financial and Resource Implications

The service is operating at a net cost to Council of over \$100,000 annually with current attendance levels and fees charged. Additionally, it is forecast that the space could generate between \$40,000-\$50,000 annually in room hire if used for an alternative use. Therefore, the cumulative cost to council of operating the creche service is approximately \$140,000 per annum.

The cost of the creche service is an additional cost to the Council, which is included in the operating budget for Cardinia Life. There is no financial benefit to Aligned Leisure.

If members cancel their membership if the creche service is no longer provided, the membership fee income may be reduced. 14 survey respondents indicated they would cease their membership if the creche service was no longer offered.

With the rising financial impact of the pandemic on our leisure facilities contract, Council officers have continually been reviewing the contract in search of opportunities to reduce costs

The cost per child to breakeven is \$40.35, based on average attendance of 7 children per session.

Table 4 includes proposed fee increases to be introduced for each session attended from 1 January 2022:

Fee	Current	Proposed
Member	\$7.60	\$10.65
Non-Member	\$8.65	\$12.10
Occasional Care	\$10.50	\$14.70

Based on attendance of seven children per session, the forecast annual increased income based on a small fee increase for creche is as follows:

- 20% fee increase from \$7.60/session to \$9.15/session - \$4,774
- 30% fee increase from \$7.60/session to \$9.90/session - \$7,084
- 40% fee increase from \$7.60/session to \$10.65/session - \$9,394

The annual projected net cost of the creche would be \$91,638 based on average attendance of 7 children per session, and the increased fee from \$7.60 to \$10.65 per session for members.

If average attendance was to increase to 15 children per session, the annual net cost would be \$54,150.

If average attendance increases to 15 children per session, based on the proposed fee increase, the cost per child to breakeven is \$18.83.

If more than 15 children attended a session, additional staffing is required dependent upon the ages of the children attending.

Due to the implementation of the Children's Services Law Reform, there will be increases in the cost to deliver the Cardinia Life Creche service from 1st January 2022. The detail of these cost increases is still being determined.

If council resolves to retain the crèche service and increase the membership fees as part of that, the membership fees could be increased from January 2022 as part of the Council resolution. Note this would be outside of the normal council budget preparation and consultation process.

Conclusion

The creche at Cardinia Life has been a valuable service for families in Cardinia. Attendance has declined to 7 children; however, the average has been 15 children over the past four years.

Officers have constantly reviewed opportunities to realise savings within the leisure contract following the financial impact of COVID-19. Combined savings if creche was closed, fees are increased, and forecast income from the hire of the space would reduce the cost by approximately \$100,000, with \$40,000-50,000 revenue generated if the venue was hired.

Of other service providers, bestChance is withdrawing from family day care and the Beaconsfield Neighbourhood House does not have any vacancies. Windermere service providers operate within Pakenham but indicate that many carers require minimum attendance of 8 hours booking.

A survey of 26 creche past users and 1,056 creche members was undertaken. 17 creche users and 188 current members responded, of which 39 had children in the age range of the creche service. Results from the user and member survey indicate a willingness to pay a small increase fee to use the service.

Two options have been presented in this report for Councillors' consideration. Option 1 which is preferred is to continue to provide the Cardinia Life creche service. This will require a Council subsidy which is not offered to other children using other forms of childcare. The annual projected cost is \$100,000 based on an average of 7 children per session, and the cost per child to breakeven with the same attendance rate is \$40.53.

To offset costs a small fee increase is proposed, and Council officers will promote the service more widely. A further review will be undertaken in June 2022.

2021 Cardinia Life Crèche Survey

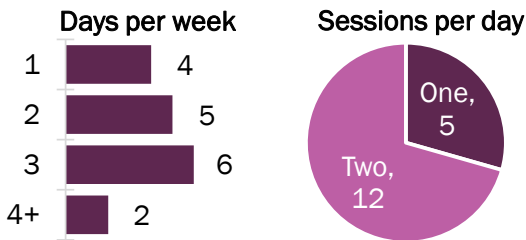
In field 23 September – 10 October. 2 crèche users and 1 Cardinia Life member said they are aware of other occasional, short term, casual care service providers in the Shire.

USERS

Sent to:	26
Responded (n=):	17

11
Members

Use of crèche (pre-COVID):

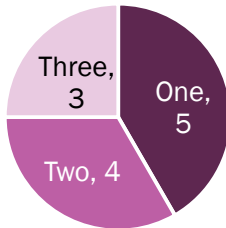


Use for Occasional Care (pre-COVID):

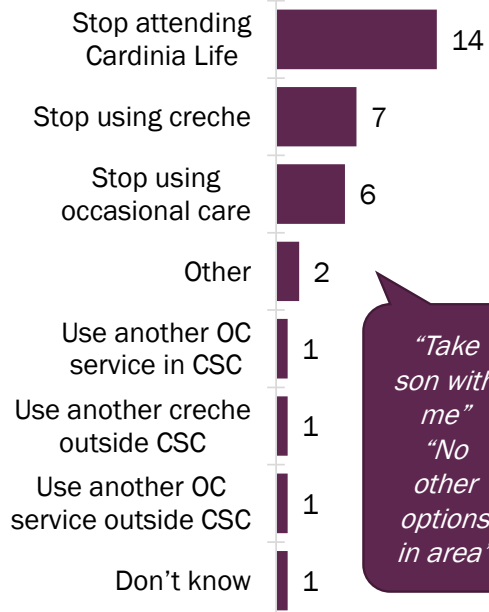
12



Times per week



If Crèche not available...

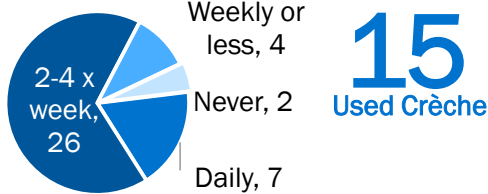


*"Take son with me"
"No other options in area"*

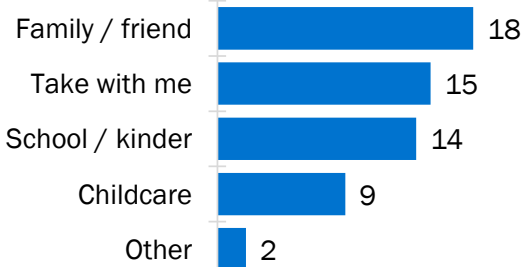
MEMBERS

Sent to:	Responded:	Qualified (n=):
1,056	188	39

Frequency visit CL

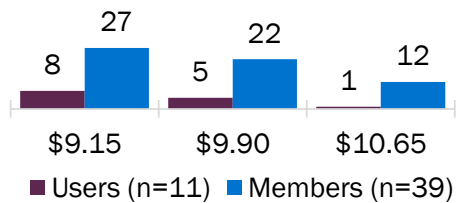


Caring arrangements when use Cardinia Life (pre-COVID)

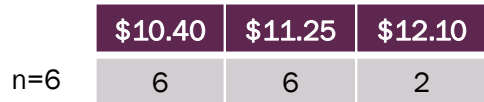


PRICE POINT

Crèche - # would pay price



Non-members - Crèche # would pay price



Occasional - # would pay price

