

6.2.4 Cardinia Shire Council Kindergarten Direction Follow Up

Responsible GM: Lili Rosic
Author: Kelly Reynolds and Michael Casey
Report Purpose: For discussion
Time: 30 minutes

Recommendation(s)

That Council:

1. Note:
 - a. The positive benefits kindergarten services provide children, and that quality kindergarten experiences in the two years prior to school, lead to improved social and learning outcomes and broader community and economic benefits.
 - b. Its significant investment in kindergarten services evidenced through deliver of infrastructure, the ongoing operation of kindergarten services, procurement of Early Years Managers, adherence to ongoing compliance and governance requirements, facility management, fostering collaboration opportunities for learning, and providing development/capacity building opportunities and central registration.
 - c. The State Government is committed to delivering its 2022 Best Start Best Life reform and thanks the State Government for recent funding to deliver:
 - i. New kindergartens including Thewlis Road Integrated Child and Family Centre, Toun-Nun Integrated Child and Family Centre and Kurmboon Integrated Child and Family Centre.
 - ii. Upgrades to existing kindergartens in Nar Nar Goon, Bayles and Avonsleigh.
 - d. The funding and resources required for development, upgrade, compliance, and maintenance of facilities used for the purpose of kindergarten and to deliver the Best Start Best Life Reform is beyond Council's responsibility and financial capacity.
2. Advocate to the State Government that they prioritise kindergarten on school sites (KOSS) where current facilities and services cannot meet demand or accommodate reforms, and that:
 - a. These facilities are the responsibility of the State to plan, construct, maintain and manage.
 - b. The State ensures the use of Cardinia's Central Registration & Enrolment Scheme in the operation of these facilities to facilitate access for families.
 - c. The KOSS model (where appropriate) replaces kindergartens, thereby offering seamless integrated service delivery. A flexible consult room is included within KOSS facilities to support an integrated and seamless service delivery approach.
 - d. The State lease the facility including consult rooms to Council, charged at a peppercorn rate to provide services such as maternal and child health for the community.
3. Authorise the Chief Executive Officer or appropriate delegate to continue negotiating with the Department of Education and Victorian School Building Authority to enter a building blocks partnership whereby:
 - a. The State Government fully funds the shortfall in kindergarten infrastructure projects including:
 - i. New builds and upgrades to existing facilities, including required compliance and inclusion works, regardless of building type (traditional or modular).

- ii. Service connections, pathways, access requirements, lighting, site integration (where appropriate), additional amenity costs (where required) and facility fit out, regardless of building type (traditional or modular).
 - b. Council receives ownership of any new state funded community assets on Council land for the community's benefit into the future.
4. Note, the State Government support ongoing change management funding for local Councils who do not directly provide kindergarten services through the same mechanisms that it supports Early Years service providers.

Attachments

Nil

Executive Summary

The State Government is responsible for the provision of kindergarten and has announced reforms to early childhood education with further expansion of hours. They are investing \$14 billion to give Victorian children the best start in life through the Best Start Best Life reforms.

Kindergarten services provide genuine positive benefits to children including social, emotional, and developmental benefits, whilst also delivering strong community and economic benefits. Cardinia families and children access kindergarten in a range of settings, many of which are run out of Council's facilities.

Cardinia Shire Council does not operate kindergartens, it engages third party kindergarten service providers to deliver services on its behalf. It is committed to supporting the development of our local children in their early years. Council is committed to working with the State Government to facilitate the provision of early years services for children and families in Cardinia Shire that are the best they can be – now and into the future.

Council's operational efforts and investment are focused on early years planning to optimise access, securing partners to operate its early years' facilities and governance. Council also coordinates the Central Registration & Enrolment Scheme.

Council is seeking a partnership approach with the State Government, requesting the State Government to fund the Best Start and Best Life Reforms fully, including any shortfall for kindergarten infrastructure, and that where possible, unmet demand is catered for on school land.

Council supports any initiatives or incentives other levels of government may introduce to attract private kindergarten providers to Cardinia, required to meet community need for kindergarten services.

Background

Kindergarten programs in Victoria are delivered in both long day care and standalone (sessional) services. Cardinia Shire Council is committed to supporting the educational development of children in their early years.

The State Government has introduced the largest social, economic, and educational reform of early childhood education in Victoria's history, fundamentally redesigning the kindergarten service system.

The reform agenda will deliver:

- Access to free kindergarten,
- Pre-prep increasing to a universal 30-hour a week program for four-year olds

- 15 hours of three-year-old kindergarten
- The establishment of 50 Victorian owned and operated Early Learning Centres
- Significant Investment in kindergarten infrastructure by the State
- An increased focus on kindergarten workforce

The State Government's reforms aim to ensure that all Victorian children are given the best opportunities, intending to address childcare affordability and accessibility, and support development and learning outcomes for young children, contributing to economic growth and productivity for long term positive community benefit.

The reform will bring about the following significant milestones between now and 2032:

2023

- Free Kinder for 3 and 4y/o children available at participating services across Victoria
- Between 5 to 15 hours per week of 3yo Kindergarten available across Victoria

2026

- Pre-Prep: Aboriginal children and children experiencing vulnerability across the state will be eligible for between 16 and 30 hours per week (including those children living outside the early roll-out areas). Children experiencing vulnerability include children from a refugee or asylum seeker background and children who have had contact with Child Protection services.

2028

- Pre-Prep: children experiencing disadvantage will have access to between 16 and 30 hours per week (including those children living outside the early roll-out areas). Children experiencing disadvantage who have a Commonwealth concession card (or have a parent or guardian who has), and those who are a multiple birth child (triplets or more) will become eligible from 2028.

2030

- Pre-Prep: 16 to 20 hours per week of Pre-prep is available for 4-year-old children across the state.

2031

- Pre-prep: 16 to 25 hours per week of Pre-prep is available for 4-year-old children across the state.

2032

- Pre-Prep: 30 hours per week of Pre-Prep is available for 4-year-old children across the state.

Even in the early stages of the reform it is evident that there are, and will continue to be, significant risks and challenges for kindergarten service providers, local governments, and the broader early years sector. Local governments continue to bear most of the cost associated with infrastructure maintenance and renewal to meet the reforms. Cardinia has an added layer of complexity as a large percentage of its infrastructure is ageing and non-contemporary.

Cardinia Shire Council welcomes the support and funding grants it has received from the State Government in recent years for the provision of new kindergartens, and to upgrade existing facilities and welcomes the opportunity to further this partnership.

Council's kindergarten services

Cardinia Shire Council does not operate kindergarten services, and is instead focused on early years planning, governance and managing community infrastructure. Early Years Managers or Committees of Management are engaged to operate kindergarten services. Council manages a Central

Registration and Enrolment Scheme (CRES) to support service providers and the local community. Cardinia Shire Council coordinates the placement of approximately 48% of the children attending kindergarten in the Shire via central enrolment.

The CRES provides an accessible pathway for local families to register for and secure a kindergarten place for their child. It provides a platform for kindergarten places to be offered fairly, equitably, and transparently. The central registration function is supported by a re-occurrent department of education (DE) grant of \$120,000.

Council Officers review the services delivered by service providers appointed to manage and operate kindergartens in Cardinia to ensure families have access to high quality services throughout the life of the agreement they have with Council. There are currently 7 service providers providing kindergarten programs from Council facilities. Council officers manage the 27 facilities, including coordinating maintenance, bookings, and invoicing and this is fully funded by Council.

Management models

Within the 27 facilities Council owned or managed:

- Two sites are Crown land sites:
 - Upper Beaconsfield Kindergarten (Stoney Creek)
 - Bayles Kindergarten
- Two sites are education land sites co-located with schools:
 - Bridgewood Child and Family Centre
 - Pakenham Springs Children's Centre
- Four sites are managed by committees of management:
 - Cockatoo
 - Gembrook
 - Beaconsfield Kindergarten (Wood Street)
 - Beaconsfield Kindergarten (O'Neil Road)
- All sites are managed by service providers appointed by Council (including the Crown and education land sites).

Kindergartens on School Sites

The kindergarten on school site (KOSS) model is Council's preferred model. The Victorian School Building Authority (VSBA) refer to the many benefits in this model including ease of access, drop-off time being more convenient, and the transition from kinder to school is much smoother. Further, the VSBA state:

"...as part of Best Start, Best Life, over the next decade we are building hundreds of kinders at schools across the state. Every new primary school will also have a kinder – making life simpler for families. The needs of each area are different, so we work closely with local government to plan new kinders. This ensures the best educational outcomes for children and broader benefits for their families".

Council has supported DE in planning for the newly constructed KOSS at Koo Wee Rup Primary school. Through initial desktop assessments, Bunyip and Gembrook have been identified as the next potential additional locations for the KOSS model, however space is a barrier at other sites. DE and the VSBA are undertaking a more detailed assessment to determine suitability and officers note funding is only provided for KOSS facilities to increase capacity, not to replace existing capacity.

Existing Kindergarten Infrastructure Condition

Of the 27 existing Early Years facilities Council owns and manages, 14 of these are standalone kindergarten facilities that are almost 40 years of age, with 2 additional standalone kindergarten facilities aged approximately 34 years. Only 2 of these 16 facilities have undergone a redevelopment, with the remaining 14 facilities still in their original condition.

Value of Infrastructure replacement and maintenance expenditure

As of 2019, the estimate costs for replacement of the 27 kindergarten facilities is:

- Council owned sites \$44,024,531
- Crown land sites \$7,503,642

Expenditure over the last 5 years on reactive and routine maintenance was:

- Reactive maintenance \$683,072, at an average expenditure of \$170,768 per year.
- Routine maintenance \$669,779, at an average expenditure of \$167,444 per year.

Within this same period, Council expended a total of \$323,656 on minor upgrades at these sites, at an average annual expense of \$80,914.

Service providers operating a kindergarten program in a Council building are eligible to apply for category 1 & 2 community capital works grants.

The costs outlined above relate to maintenance and capital expenditure. They do not include the staffing and resourcing required to support early years managers, administer central registration, lease and license requirements, facility maintenance and overseeing capital renewal.

Growth Area Projects – Future Infrastructure Requirements

There are currently 4 planned community/kindergarten facilities across 3 PSP's planned over the next 9 years (2032) to meet forecast demand, 3 of which are required in the next 5 years (2028). They include:

- Thewlis Road Integrated Child and Family Centre
- Starling Road Integrated Child and Family Centre
- Two children's services facilities in the Pakenham East PSP

The total cost to deliver these facilities, based on current project valuations is estimated to be approximately \$52.9m.

These facilities are a PSP requirement, and although varying amounts of DCP/ICP funding are attributed towards delivery, there is a forecast shortfall of approximately \$30.4m.

Established Area Projects - Existing Infrastructure Requirements

Across the 3 regions of Council, forecasting indicates that due to the reform there will be high levels of kindergarten demand to be met.

Anticipated additional infrastructure in the Hills and Southern regions may cost up to \$12.4m to meet forecast demand by 2032.

While there are external grant opportunities to obtain funding to deliver the additional kindergarten rooms, there is limited funding available to address building renewal and upgrade works on existing aged kindergarten facilities. The current total estimated shortfall for Council to complete the renewal and upgrade works could be up to \$5.6m.

Facilitating all 3- and 4-year-old children can access a kindergarten year

Council will continue to work with and advocate to the state government to fully fund the shortfall in kindergarten infrastructure projects resulting from the introduction of its Best Start Best Life reforms. This includes new kindergartens identified in precinct structure plan areas (Pakenham East, Officer and Officer South Employment) and as required across the shire to meet demand.

Council asks that the State Government provides kindergarten facilities on school sites (KOSS) in line with its policy, where current facilities and services cannot meet demand or accommodate reforms, or where kindergartens need to be replaced to meet demand. This will promote a seamless transition from kindergarten to school for families and improve accessibility. The new KOSS facilities need to be constructed, maintained, and managed by the State Government. Inclusion of consulting rooms are encouraged to facilitate inclusion of ancillary services such as maternal and child health and parenting programs.

To promote access by families to kindergarten council will continue to support its central registration program and requests the State Government to require providers of KOSS to participate in this program.

Where KOSS facilities are not possible (for example due to inadequate space) that a building blocks partnership agreement is entered into, and that the State Government:

- a. Fully fund all capital infrastructure costs for new buildings, ensuring they meet the policy requirements of 15 hours kindergarten for 3-year-olds and 30 hours for 4-year-olds.
- b. Fund replacement of aging infrastructure or upgrade of facilities to ensure kindergarten services in Cardinia to meet local demand.

We encourage the Department of Education to progress the strategic attraction of private providers to Cardinia to increase the market capacity and ease demand on government provision.

Policy Implications

NA

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.

1.1.3 Lead by example in creating an inclusive and welcoming community for all by facilitating community education, capacity building, connection and celebration of our diversity.

1.1.4 Facilitate a partnership approach to create safer communities.

2.1 We support the creation of liveable spaces and places

2.1.1 Advocate, plan for and deliver accessible community infrastructure and services that address community need.

4.1 We support our productive land and employment land to grow local industries

4.1.3 Improve local learning and employment pathway opportunities through strategic partnerships.

5.1 We practise responsible leadership

5.1.1 Build trust through meaningful community engagement and transparent decision-making.

5.1.4 Maximise value for our community through efficient service delivery, innovation, strategic partnerships and advocacy.

Climate Emergency Consideration

NA

Consultation/Communication

Kindergarten service providers have been informed about Council's challenges in meeting the State Government Reform.

Officers meet with DE and the VSBA regularly to discuss current and pipeline projects, and it has been through these meetings where officers have negotiated the outcomes outlined above for the KWR KOSS.

Financial and Resource Implications

Activity	Description	Cost
Asset replacement	<p>This is the total replacement cost* for the 27 kindergarten facilities.</p> <p>*This figure references the cost of these assets, not that they need replacing now.</p>	\$51.5M
Infrastructure cost	<p>This includes new builds and extensions forecast as required for Cardinia to meet demand over the coming 9 years.</p> <p>External funding opportunities may be available to support.</p>	\$42.8M
Renewal / upgrade cost	<p>This is an estimated cost for renewal and upgrade works at sites across the shire.</p> <p>External funding opportunities may be available to support.</p>	\$5.6M
Average annual maintenance cost	<p>Based on actual expenditure for routine and reactive maintenance over the past 5 years.</p>	\$338K

Conclusion

Council has made a significant investment in kindergarten, through service planning, infrastructure delivery and maintenance, and administration of the kindergarten central enrolment program. However, Council does not have the financial capacity to meet the ongoing infrastructure costs required to support the delivery of the State Government's Best Start Best Life reforms in Cardinia.

Understanding that kindergarten services are a State Government responsibility, pending council approval, the CEO and delegate will continue to work with and advocate to the State Government to fully fund kindergarten infrastructure required to ensure all 3 and 4 year old children living in Cardinia have access to the kindergarten hours prescribed in the State Government's Best Start Best Life Reform.

Council seeks to further understand the State Government's plan to attract private providers to increase market capacity, therefore easing demand on Council's services.