



GLEN EIRA
CITY COUNCIL

13 October 2023

Your Questions Answered

Preliminary Decision about Council's Early Learning Centres

Family Online Information Briefing – 5 October 2023

Over 75 questions were submitted during the family information briefing – many questions were similar, so we have themed the questions and answers are provided below.

If a final decision is made to close Council's Early Learning Centres, can Council guarantee that we will be able to find an alternative centre for the days and times our family require?

We understand each family will have their own needs and preferences, and we will do our best to support you.

Our centres account for just 2 per cent of the 5,731 childcare places in the municipality. That means there is choice and capacity, so if Council does decide to close the centres, we have a high degree of confidence that there is a sufficient supply of childcare places to meet current and future demand.

If Council decides to close its centres, can it guarantee the same level of quality care in alternative childcare services across Glen Eira?

The Commonwealth Government is responsible for assessing the quality of all childcare services. Each centre is rated against the National Quality Framework through a process of quality assurance and regulatory compliance.

Quality ratings must be displayed at each service and are also available on the ACECQA website: [ACECQA Service Search](#).

Of the 58 childcare centres operating in Glen Eira, 23 are rated as 'exceeding' National Quality Standards, 23 are rated as 'meeting' National Quality Standards, 10 centres have 'provisional rating' (awaiting accreditation – new facilities or ownership has been recently transferred) and 2 centres are rated as 'working towards' meeting the Standards.

Attached is a map of all the childcare centres across the municipality, which includes quality assessment ratings, a list of those centres and relevant contact information.

If a final decision is made to close Council's Early Learning Centres, how will Council support families and help them find alternative care?

If a final decision to close the centres is made, we will help families find alternative care that best suits their individual needs.

During the consultation period, families are invited to provide details on how they would prefer to receive communications, what support would they find helpful now, and what ongoing support they may find useful.

This information will help Council provide the support each family needs to find alternatives, should Council make a final decision to close its centres.

What steps has Council taken to confirm that there are vacancies available in other childcare services across Glen Eira?

As part of the strategic service review, Council collected data on the number of licenced childcare places across Glen Eira and available vacancies through the Commonwealth's [Starting Blocks](#) website as well as contacting childcare services to ask about vacancies.

We now have a clearer understanding of vacancies after advising other childcare services of Council's preliminary decision and the consultation process.

While Council has a high degree of confidence that the supply of childcare places will meet current and future demand, the best way for a family to find out if a centre meets their specific their criteria is to talk with them directly. Should families need support with this, Council can provide assistance.

Why are there such short notice periods between the preliminary decision, the final decision and the potential closure?

We recognise that the timing may present challenges. Families' views on the timeframes and notice period will be provided as part of the feedback to Councillors to inform the final decision-making.

Why is Council sharing information about what has already been decided rather than consulting before making a decision?

Under changes made by the State Government to the Local Government Act 2020, Council is required to make a preliminary decision, consult, consider feedback, and only then make a final decision.

Sharing information through the distribution of the *Glen Eira City Council Childcare Discussion Paper (October 2023)*, informs families and the broader community about how Council reached its preliminary decision to exit its childcare services and what information was considered as part of the decision-making process.

What informed the Childcare Discussion Paper and how was it developed?

The *Glen Eira City Council Childcare Discussion Paper (October 2023)* provides information about the strategic service review of Council's Early Learning Centres' viability into the future. The discussion paper was prepared by Council staff.

The review aimed to better understand how these services could operate sustainably in the future in the context of ageing buildings, financial losses, the growing childcare market across Glen Eira, and Victorian and Commonwealth Government early years agendas.

The review examined local childcare services in the municipality, an analysis of the financial viability of Council-operated Early Learning Centres, an analysis of the opportunities and challenges relating to existing facilities and Council's role as a provider in the competitive marketplace.

Current and future demand data was informed through an examination of population data trends which are outlined in the discussion paper.

Where do I find the agenda, minutes and Council report for the Special Council Meeting held 3 October where Council considered the future of its Early Learning Centres?

Council meeting agendas, minutes and reports that have been considered and voted on are available online. Details of the 3 October Council meeting are here: [3 October Special Meeting of Council](#).

Does the preliminary decision to close Council's Early Learning Centres align with Council's Health and Wellbeing Plan?

Council's 2021-2025 Health and Wellbeing Plan outlines six key priorities:

- Improve public health protection
- Strengthen mental health and social connection
- Enhance active living
- Create healthier environments
- Embrace creativity, learning and diversity
- Promote, respect care and equity.

Council has a broad role in supporting access and participation in community life for children and families by planning, facilitation and direct service provision including early education and care, maternal and child health, immunisation, and library services as well as the support and development of early years staff across the municipality.

Council's role in supporting children and families in Glen Eira can be found on page nine of the *Glen Eira City Council Childcare Discussion Paper (October 2023)*.

Another vital role is advocacy, where Council seeks to secure programs, projects and funding from other levels of government to ensure all of Glen Eira's children and families thrive.

Does the preliminary decision to close Council's Early Learning Centres align with Council's Community Vision?

The Council Plan is based on the 2040 Community Vision: 'Our Glen Eira: A thriving and empowered community working together for an inclusive and sustainable future.'

The Vision includes six guiding principles that assist Council and the community to work towards this Vision. The 2021-2025 Council Plan outlines strategic directions that have been endorsed to guide the priorities and work of Council.

Strategic Direction One guides Council's actions in relation to the Childcare Service Review: "Well informed, transparent decisions and highly valued services. We build trust through engaging with our community, delivering quality services and making evidence-based decisions."

How can Council's Early Learning Centre facilities not be fit for purpose when each service has been assessed as exceeding National Quality Standards in the category QA3 – Physical Environment?

The Commonwealth Government is responsible for assessing the quality of all childcare services. Each centre is rated against the National Quality Framework through a process of quality assurance and regulatory compliance. Quality ratings must be displayed at each service and are also available at: [ACECQA Service Search](#).

These quality standards relate to the national laws and regulations connected to the Australian Children's Education and Care Quality Authority.

The strategic service review found we provide quality care and have excellent educators, but our buildings are outdated, do not meet contemporary building standards, and make it challenging to operate without the economies of scale only larger, more modern centres can achieve.

Which centres are operating at a loss and why?

Council's three centres opened when opportunities for families to access childcare were limited. In the decades since, radical changes in government funding, policy and legislation have led to a boom in the childcare market and slowed demand for Council's centres.

All three centres are running at a loss, and the quantum of the loss increases each year. Operating at 78 per cent capacity in 2022-23, the numbers at our centres keep going down while costs keep going up. Our centres are expected to operate at a loss of at least \$570,000 each year. Amid increasing costs and economic uncertainty, it is getting harder for councils to run services and we need to make responsible choices and provide value to all the community.

A strategic service review found our centres provide quality care and we have excellent educators, but our older buildings are no longer fit for purpose and are not equipped with modern contemporary service spaces that are able to achieve economies of scale.

Further detail about the centres' infrastructure and financial challenges can be found in the *Glen Eira City Council Childcare Discussion Paper (October 2023)*.

Were the centres ever financially viable?

Council's three Early Learning Centres opened at a time when opportunities for families to access childcare services were limited and regulations and funding were different.

In the decades since, a radical change in government funding, policy and children's services regulations mean costs to run services like ours has never been greater. All three centres are running at a loss, and the quantum of the loss increases each year.

Larger contemporary services opened in response to these changes, creating a vibrant childcare market in Glen Eira and slowing demand for Council's centres.

If the centres have been operating at a loss for years, why the need to close them now?

Amid increasing costs and economic uncertainty, it is becoming more difficult for councils to run services. Council must make responsible choices and provide value to the community.

What steps did Council take prior to the preliminary decision to find efficiencies and make the centres operationally viable?
<p>Small efficiencies can always be found in a budget. Council's childcare services undergo a rigorous process of development, approval, and monitoring over a budget year.</p> <p>Annual service budgets are developed based on known expenditure such as staffing to meet set child-to-staff ratios, centre-based leadership and management, fixed program equipment replacement and upgrades (e.g. equipment and indoor furniture), expendable equipment (e.g. art and craft supplies), mandatory staff training, and administration and maintenance costs.</p> <p>Expenditure is matched to the expected income through parent fees and grants from other levels of government. The service budgets are then reviewed by Council and form part of the legislated, approved Council budget for each financial year. Once approved, budgets are monitored monthly with variances to the approved budget reported to Council on a regular basis during the year.</p> <p>Council also monitors waiting lists and ages of children registered for places and looks at this in the context of age ranges of groups of children already attending to see if adjustments can be made to groups by transitioning children to the next room and open up spaces to enrol more children.</p> <p>Our centres now operate at a loss of at least \$570,000 per year and data shows they will continue to operate at a loss of approx. \$3.1m over the next five years, even if they consistently reach 90% utilisation over that period. If fees were raised to a point that all costs were recovered, Council's centres would be the most expensive in the municipality.</p>
How is utilisation calculated for each centre?
<p>Utilisation is calculated by how many children are enrolled versus how many places are available. If the centre has 31 places each day and 26 children are enrolled each day, the utilisation is 84%. Utilisation is calculated on a daily, weekly, monthly and annual basis due to fluctuations in enrolments.</p>
How can utilisation be an issue when each centre has waiting lists for families to attend?
<p>Matching enrolments to available staff and meeting legislated child-to-staff ratios is a challenge for every licensed children's service. This is particularly true for Council's small services that operate from older buildings that lack flexible spaces and opportunities for economies of scale.</p> <p>A child may be on a waiting list for a particular age group as there are no places available in an age group, or because adding another child to an existing group would change the child-to-staff ratio and the service needs to wait until there are enough children to viably employ an extra staff member to meet legislated room ratios.</p> <p>In some rooms and age groups, there may be vacancies that would not impact the child-to-staff ratio and a new child could join the room immediately. All these factors affect each centre's utilisation.</p>
How does Council advertise its services to maintain and increase utilisation?
<p>Council advertises the services in the Glen Eira News, through feature stories and promoting enrolments, which is distributed to all households in the municipality.</p> <p>The three centres are also promoted through other Council services including Maternal and Child Health centres and supported playgroups, as well as other early childhood partners in the sector.</p>

Were families consulted if providing nappies or meals was an issue before the preliminary decision was made?

Under changes made by the State Government to the Local Government Act 2020, Council is required to make a preliminary decision, consult, consider feedback, and only then make a final decision. As such, Council was unable to consult prior to making the preliminary decision.

However, now that the preliminary decision has been made, families are encouraged to have their say with all feedback to be provided to Councillors for their consideration.

How do I find out about other services that are rated as Exceeding under the National Quality Framework?

You can search for the quality rating of licensed childcare services at: [ACECQA Service Search](#).

Attached is a map of all the childcare centres across the municipality, which includes quality assessment ratings.

Would Council lease its facilities and transfer staff to an alternative operator?

Families are encouraged to now have their say, with all feedback to be provided to Councillors for their consideration.

Why has Council approved other newer, larger childcare facilities at the cost of its own facilities?

Council has a legislated role as the 'Responsible Authority' for deciding planning permit applications. This means that Council must objectively consider every planning application that it receives and make decisions based on relevant planning considerations.

Under the relevant legislation, Council must not consider objections to a planning application that have been made primarily to secure or maintain a direct or indirect commercial advantage.

It is therefore not a relevant consideration for Council when determining a planning permit application for a new childcare centre that it runs or operates its own childcare centres.

Would Council reconsider the preliminary decision or make a final decision earlier than 12 December?

Feedback on this issue will be provided to Councillors for their consideration.

When did Council begin planning for this preliminary decision?

The strategic service review began in late 2022. It sought to better understand how the services could operate sustainably into the future in the context of ageing infrastructure, financial losses, the growing childcare market in the municipality, and the current and emerging State and Commonwealth early years reform agendas. Councillors were kept up to date as the review progressed.

On 3 October 2023, Councillors met to consider the findings of the service review and three potential options in response to these findings. The *Glen Eira City Council Childcare Discussion Paper (October 2023)* outlines the options and the merits of each. For details of that Council meeting visit: [3 October Special Meeting of Council](#).

Has Council complied with the Local Government Act 2020 and local government community engagement principles?

Yes.

Why was the Council meeting on 3 October closed?

The agenda, minutes and Council report for the Special Council Meeting held on Tuesday 3 October 2023 were released on Thursday 5 October 2023 on Council's website: [3 October Special Meeting of Council](#).

This approach provided sufficient time to first inform those most impacted, families and staff, before news of a preliminary decision and consultation process was distributed more widely.

Did Council consider the mental health of staff members and parents when announcing this preliminary decision?

Council recognises that news of the preliminary decision may be unsettling and has made specialist staff available at centres to answer questions and provide information and guidance to impacted families and staff.

Counselling support is also available for staff and families.

Families can contact Converge International on 1300 687 327 for free and confidential support.