



City of Darwin

# Childcare and Early Childhood Learning

Productivity Commission Issues  
Paper – Response

## **Overview**

City of Darwin Council sponsors seven childcare centres across the municipality by providing and maintaining the buildings. All facilities operate on a peppercorn lease agreement as part of Council's role in community support. As part of this provision, Council supports each centre with grant administration and project management of major capital works as well as capacity building support. Volunteer management committees' oversee the planning, management and decision-making of each organisation.

A snapshot of Council's Centres indicate aged buildings that no longer align with best practice design principles. Centres frequently contact Council to seek repairs and small building works and almost all centres seek support from Council in undertaking major enhancements to their facility.

Recent research nominates a 65 place childcare centre as ideal for financial viability. All of the Council sponsored Centre's have a capacity of less than 65 placements, placing the long term viability of the Centre's at risk.

Based on figures published by the Australian Bureau of Statistics <sup>3</sup>, Darwin's early childhood population has changed slightly over the last three census collections with numbers of children eligible to attend childcare (ages 0-5) slightly increasing over the 10 year period.

<b>Census date</b>	<b>Population aged 0-5</b>
2001	5633
2006	5485
2011	5770

Australian Bureau of Statistics also states that in the Northern Territory, of couple families, 32.7% had both partners employed full-time, 3.4% had both employed part-time and 15.5% had one employed full-time and the other part-time.

This table details the current capacities of the Council sponsored childcare centres and how many children attend the facilities, including total capacity and total number of children wait listed at each centre.

<b>Centre</b>	<b>Capacity</b>	<b>Children attending (part time and full time)</b>	<b>Waiting list</b>
Karama	32	27 full time, 7 part time	26
Nightcliff	45	11 full time, 64 part time	71
Mitchell Street	52	45 full time, 13 part time	75
Stuart Park	59	59 full time	80
Malak	47	47 full time	46
Parap	42	42 full time	50
Casuarina	55	28 full time, 25 part time	136
<b>Total</b>	<b>332</b>	<b>368</b>	<b>484</b>

---

<sup>3</sup> Australian Bureau of Statistics, 2011

## **Centre Management**

Community-based management committees administer the Centres whilst drawing substantially on the contribution of volunteer parents/carers. The membership of each committee changes almost annually which limits the capacity of the centres to develop service delivery, administrative and management expertise. The required level of responsibility placed on volunteer community management committees, including Council's childcare centres, can be described as onerous and difficult to meet. Volunteer management committee members are often employed and have their own family commitments. In this role they are responsible for a range of mid to high level tasks including staff recruitment and management, administrative functions including the development and implementation of policies and procedures, report writing, financial management and ensuring adherence to funding and licensing requirements. In addition to these responsibilities, volunteers often have to undertake to fundraise to ensure the financial viability of the centre.

Although it is evident that not-for-profit community-based services can provide high quality care that is affordable and responsive to local need, additional support may be required to ensure adequate staff training and support as well as compliance to standards, particularly those linked to administration and governance.

## **Viable Centre Modelling**

The Department of Business; NT Government's view from recent research nominate a 65 place childcare centre as ideal for financial viability. Smaller size centres can be viable, however they require good governance, an engaged capable committee, skilled and professional staff in a tightening labour and skills market, a well maintained building, adherence to compliance/regulations/licences requirements and tight financial management.

Due to each of the Council sponsored Centre's having a capacity of less than 65 placements this places pressure on the financial viability of the Centres. This in turn means that the Centre's are looking for financial assistance to complete upgrades to the Centre's to allow for greater capacity. Otherwise the Centre's are being forced to increase their fees to meet the additional costs, impacting on the availability of affordable childcare to the community.

## **National Quality Framework Overview**

### **A National Quality Standard**

Authorised Officers from each state's regulatory authority are responsible for assessing and rating against the National Quality Standard. Council's seven Childcare Centres have been assessed and as of March 2013 one Centre has been rated as "Exceeding National Quality Standard" and one Centre is "Meeting Quality Standards" and five Centres' are rated "Working towards National Quality Standard".

The most significant impact of the legislative changes and framework implementation, is the increased requirement for qualified staff. That is, the new standards require all staff to have achieved a minimum Certificate III qualification, for 50% of all staff to be qualified to a Diploma or above level, and as of 1 January 2014, Centres at which 25-59 children attend on any one day, a requirement for the employment of a full time university qualified early childhood teacher will be mandatory. This particular reform is expected to have a major financial impact on services as the salary costs of the early childhood teacher will be equivalent or higher than the director's salary. Most centres will not have capacity to meet this cost. This is an area the Department of Business; NT Government is planning to investigate, along with how it may assist centres. Additionally, the Department of Business currently supports community childcare centres with financial, viability and sustainability training and support.

Given that a shortage of qualified staff already exists, the requirement to meet these qualified staff ratios will significantly increase operating costs. Further, whilst this requirement infers significant benefits for centres in terms of quality and learning outcomes, it will be difficult to meet staffing requirements insofar as it is particularly difficult to recruit qualified staff to what might be considered a challenging and underpaid vocation. Council has responded to this need, albeit in a small way, by orientating the Disadvantaged Job Seeker program to training 2 students each year in Certificate III in Children's Services. Recent funding from the NT Government, under the Indigenous Workforce Participation Initiatives Program (IWPIP), will provide resources for a further 2 traineeships. The trainees are attached to our Fun Bus service and work predominantly with families and children in a community development context.

The new 1:4 staff-to-child ratio requirement for the 0-24 month old cohort of children replacing the 1:5 ratios has impacted some centres. That is, some childcare centres accommodated ten 0-24 month olds and some centres were required to increase this number to twelve as well as employ an extra staff member. Other centres have decreased numbers from ten to eight. Given that two full-time childcare places attracts approximately \$30 000 annually, the loss of this income could test the viability of those centres. Further, some centres were not able to increase numbers because the *building space per child* requirement could not be achieved. This outcome would reduce the community's access to childcare services.

Some centres have had reduced access to rooms due to an inability to staff the section. On these occasions, parents/carers must make alternative arrangements at short notice.

The legislative changes and the implementation of the framework may impact Council buildings meeting the National Quality standards. For instance, the children's indoor space must, be well ventilated, have adequate natural light and be maintained at a temperature that ensures that safety and wellbeing of children. Over time, some centres have, added on rooms, enclosed veranda's and converted space for other purposes which impacts cross ventilation. Additionally, some rooms have limited natural light and unable to cool indoor space.

## **Buildings**

Council's childcare infrastructure is over 30 years old and has largely outgrown its original intended purpose of small neighbourhood childcare facilities. The infrastructure no longer marries with best practice design and function principles. Capital upgrades for what are now aged buildings are currently funded via Federal and Northern Territory Government grants based on priority of need and licensing compliance. This funding system does not enable forward planning for projected localised community need nor does it account for major refurbishment projects. This has resulted in a fragmented approach to facility development with small works being undertaken on a priority basis eg., disability access to a bathroom, shower drainage, shelving etc.

A number of centres seek substantive Council investment in major capital works to reinvigorate/expand facilities to remain viable, meet Licensing requirements and neighbourhood need. Going forward, it is likely that major capital investment will be required for centres to keep pace with changing needs and because capital investment to date has been on the basis of need and priority with no scope for proactive future planning.

## **Infrastructure maintenance**

Council's investment in basic building maintenance of the seven centres has steadily increased as the facilities have aged. According to statements from the Building Condition & Compliance Audit building maintenance is anticipated and minor works may be required on all Centres in the near future. As the buildings age, the operational maintenance costs will increase.

## **SUMMARY**

- For over 3 decades, Council has operated in a Land Lord role for 7 community based childcare centre buildings.
- All facilities operate on a peppercorn lease agreement as part of Council's role in community support.
- With no role in the management of these childcare centres, Council cannot ensure the provision of quality childcare.
- With an increasing young population and a national trend towards the increased need for childcare, the capacity of the Centres is not altogether adequate.
- The low placement capacity of the childcare centres place all Centres at risk of financial viability.
- The new requirements under the National Quality Framework place financial pressure on the Centres as well staffing pressures given a shortage of qualified staff.
- Childcare centre infrastructure is aged, unresponsive to changing community need and no longer marries with best practice design and function principles.

- A number of centres seek substantive Council investment in major capital works to reinvigorate/expand facilities to remain viable, meet Licensing requirements and neighbourhood need.

There is little doubt, current childcare centre buildings will struggle to meet future needs, particularly in view of centre viability which runs at an approximate 65 child capacity rate. Staffing reforms also challenge centres to operate with the required levels. Potential fee increases may emerge as centres meet obligatory license related staffing requirements. Council support the need to raise the quality of education and care provided to children in the early years in order to ensure that every child has the best possible start to life. Further, the availability of quality and affordable childcare is critical to the labour market. However, these issues place pressure on the future viability of the childcare centres without significant investment to upgrade the Centre's and also place Council in a position to consider its future direction for its involvement in childcare services.