

8.18. Children's Services Review 2021

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ATTACHMENTS:

1. Child Care Review FINAL REPORT 2021 [8.18.1 - 56 pages]

PURPOSE:

To provide a report on the recently completed Children's Services Review and to seek Council's support for the adoption of the 17 recommendations.

EXECUTIVE SUMMARY:

Council is mid-way through its *Family and Children's Services Strategy 2018-2024*. The Children's Service Review was initiated to review the progress on the *Strategy* and to identify what is working well, what could be improved and what changes could be recommended.

Council enables and facilitates access to children's services by leasing 9 of its facilities to 8 not-for-profit children's services providers. The providers deliver long day care, pre-school, occasional childcare, after-school and vacation care. Council runs and manages a Family Day Care service. Council's services cater for 389 of the 3,713 approved places available in North Sydney per day.

The review noted that council's investment in children's services is successful in achieving quality outcomes for children. Council's children's services are measured annually under the National Quality Standard (NQS), a quality assurance program administered by the Commonwealth. The review has found that council services all have either a Meeting or Exceeding NQS rating, with none classified on the lowest rating of "Working Towards."

In total, the review found that half of all children's services in the LGA are rated as Exceeding NQS, 42% are Meeting NQS and 10% are Working Towards the NQS. Proportionally, more services in the North Sydney LGA provide better quality education and care, compared with all services in Australia where only 29% are Exceeding, 55% are Meeting and 15% are Working Towards NQS (*see Table 9, p32*).

Throughout Australia, private children's services receive proportionally lower quality ratings than not-for-profit community managed services. Regardless of ownership, quality service delivery is higher in North Sydney with all not-for-profit providers being rated as either Meeting or Exceeding NQS and 80% of private providers are rated as either Meeting or Exceeding NQS.

The Australian Early Developmental Census shows that North Sydney children are developmentally better off than many of their counterparts in the Greater Sydney area.

Another important aspect of council's children's services that was reviewed was affordability. This is discussed under Financial Implications.

The Families At Work report has put forward 17 Recommendations, that if implemented, would provide council with a quality and financial sustainability benchmark, enabling council to better measure the success of its grants & subsidies program, as well as providing clear reporting requirements for license holders.

FINANCIAL IMPLICATIONS:

Council's estimated annual expenditure (including cash subsidies, building maintenance and parking subsidies) is \$283,541. The annual depreciation expense for property and equipment utilised by childcare centres is \$224,000. Income from rents is \$82,202. Table 1, p 21 of the report lists a figure of \$518 for each of Council's 389 childcare places. This figure doesn't take into account the annual depreciation which would increase the figure to \$1,093.

The flow on savings to parents is considerable even though the savings varies with each of the centres. For example, a parent with a child in long day care 48 weeks a year in Cammeray, Crows Nest or North Sydney benefits from a lower daily fee of \$17.50 per day or \$4,200 per year (*see Table 7, page 31*). Most of these savings can be attributed to these centres not seeking a profit, the council subsidy and to the volunteer parent committees that help manage the centres.

Centrelink determines the Australian Child Care Subsidies (ACCS). Out of pocket expenses for parents are based on their income. For example, a single parent on \$60,000 is eligible for 85% subsidy, two parents on a combined income of \$150,000 would receive 50%. Priority of access is given to those on lower incomes such as single parents with each childcare centre having their own financial hardship policies.

Council's leases for childcare centres all require preference to be given to North Sydney LGA residents.

With preschools, the costs for parents are similar to privately run preschools. This is due to the higher qualifications required by the staff and the lack of a hands-on parents committee. Most of the rent council receives from its childcare centres is from the preschools.

A centre's financial sustainability is directly related to its number of childcare places, 60 is the ideal number. The services with less than 60 places such as McMahons Point (24), Greenwood (27) and KidsNest (10+) receive council subsidies each year.

All the other childcare centres have over 40 places. Council's Infrastructure Plan highlights the need to focus on converting its small centres to 60 place centres in the future.

RECOMMENDATION:

1.THAT Council endorse the Children’s Services Review recommendations 1 -17

LINK TO COMMUNITY STRATEGIC PLAN

The relationship with the Community Strategic Plan is as follows:

4. Our Social Vitality

4.1 North Sydney is connected, inclusive, healthy and safe

BACKGROUND

Council employed Families At Work (FAW), a consultancy firm incorporated in 1991 which has worked with many diverse organisations across Australia, New Zealand and Singapore. Recently, FAW undertook City of Sydney's Children's Services Review in 2019. City of Sydney directly operates four childcare services, with staff employed by the City.

A variety of documents have been drawn on including:

- Family and Children's Services Strategy 2018-24
- NSC Community Strategic Plan 2018-2028
- Draft Community Grants and Subsidies Policy 2021/22
- North Sydney Community Centre - Joint Strategic Plan Review 2021/22
- Infrastructure Contributions Plan 2020
- A sample License Agreement (lease over the premises)

The methodology that FAW undertook to complete the review, included interviews with key education and care service stakeholders, desktop research, a facilitated focus group with representatives from children's services operating from council-owned facilities and phone surveys conducted with all children's services providers in the local area.

The *Family and Children's Services Strategy 2018-2024* list initiatives that support the wellbeing of children and their families such as a sense of belonging. Providing affordable children's services is one of the strategies that support these initiatives.

The children's services review report recommends that the *Family and Children's Services Strategy* be used to "more proactively gather input and feedback on how its current strategy is tracking including receiving direct input from families using the services operated out of council's licensed facilities." (p10).

Additionally, new Child Safe Standards (Children's Guardian Amendment (Child Safe Scheme) Bill 2021) will soon be required to be embedded into organisations in NSW, including council. The report's recommendations 13 to 16 would assist council in this process.

CONSULTATION REQUIREMENTS

Community engagement will be undertaken in accordance with Council's Community Engagement Protocol.

DETAIL

All eight service providers in council premises are not-for-profit organisations. Three organisations operate five childcare centres, they are: KU, Montessori and Gowrie NSW and they are all part of larger organisations. The remaining five are incorporated associations (see Appendix A p47).

One consideration could be to explore the amalgamation of the seven services under one management structure. However, the primary motivation for parents who join the parent committees is to support and to focus on managing and improving the centre that their child is attending.

Children Services Review Recommendations

1. That Council provides a brief annual report that identifies what has been achieved and what remains to be achieved in the current *Family and Children's Services Strategy*.
2. Council develop and distribute a pilot survey (preferably online) to families who use the leased children's services facilities asking for specific feedback in relation to the current and future iterations of the *Strategy*.
3. Council develops questions for its periodic customer satisfaction survey regarding children's services satisfaction with quality, access and affordability as these issues relate to the *Strategy*.
4. Future license and funding agreements should include compulsory attendance at Council's six-monthly strategy networking sessions.
5. Council facilitates a six-monthly strategy networking session for all child care license holders and grant recipients.
6. The License Agreements could provide greater flexibility so that providers could adapt their service delivery model as child and family needs change without having to amend the agreement.
7. Future license and funding agreements should include schedules that require the provision of standardised annual reporting data within specified agreed timeframes that directly inform Councils related strategies.
8. Council License Agreement schedules should set a minimum quality standard for all child care providers; this should be Meeting NQS.
9. Council grants should only be provided to children's services that are rated as Meeting NQS or above.
10. Until the occasional care centre has received a NQS rating, a council officer should attend an annual board meeting of the occasional care centre to discuss the centre's policies, procedures, child care practices and quality controls.
11. Children's services license holders should be required to apply for another assessment and rating visit within an agreed timeframe if they receive a Working Towards NQS rating.

12. Either party to the license agreement is able to terminate the license agreement early without penalty should a second Working Towards NQS rating be received.
13. There is a whole of Council approach to developing and implementing the Child Safe Standards. To assist with this whole of Council approach the Child Safe Standards should be linked with the current and future *Family and Children's Services Strategy* and embedded in its Community Strategy and related delivery plans.
14. Council strategies involving children need to be proactively linked and aligned to the Child Safe Standards.
15. Each division of Council commits to sending a representative to the Child Safe Committee or any other child related committee or strategy.
16. To assist with ongoing compliance with the Child Safe Standards any reviews and strategic development related to children need to include all areas of Council business that may relate to children such as parks and recreation and planning.
17. Council to consider how it can leverage voluntary planning agreements for new children's services to increase the supply of places for children aged from birth to less than two years in the local area.

North Sydney Council Children's Services Review

August 2021



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Contents

Executive Summary	8
<i>Council's Family and Children's Services Strategy</i>	<i>10</i>
1. Introduction	14
Methodology.....	14
<i>Review of existing early childhood education and care services market place</i>	<i>14</i>
<i>Current and future child care needs</i>	<i>15</i>
<i>Data sources.....</i>	<i>15</i>
<i>Education and care services included in this report.....</i>	<i>15</i>
2. North Sydney Council's current strategies related to children's services	17
North Sydney Council's current strategic approach to children	17
<i>Strategy reporting and transparency</i>	<i>18</i>
What does North Sydney Council do to meet Strategy objectives	20
<i>An assessor of children's services Development Applications.....</i>	<i>20</i>
<i>A facilitator of access to affordable education and care services.</i>	<i>20</i>
<i>Direct service provision</i>	<i>21</i>
<i>Grants provided to the child care centres.....</i>	<i>21</i>
Opportunities for Council to influence the outcomes for children in its strategies	22
<i>Current License Agreements.....</i>	<i>22</i>
<i>Quality outcomes for children</i>	<i>24</i>
Other opportunities to support children and families in the LGA	25
Child Safe Standards.....	26
Summary.....	27
3. The current children's services market in North Sydney local government area	28
North Sydney local government area.....	28
Number of children's services and approved places by suburb	28
Cost of education and care services.....	30

<i>North Sydney Council contributes to more affordable children's services</i> 31	
Quality rating	31
Waiting lists and vacancies	32
Impact of COVID-19 on services.....	33
Summary.....	34
4. North Sydney local government area current and future population	36
Current and future population.....	36
<i>Population age groups</i>	36
<i>Households with dependents</i>	37
<i>Ancestry</i>	37
<i>Household income</i>	37
<i>Workers</i>	37
Australian Early Developmental Census	38
Summary.....	40
5. Current and future supply of education and care services	41
<i>Current supply of children's services</i>	41
Future access to children's services	41
<i>Population growth</i>	41
<i>Workforce participation</i>	41
<i>There are increasing numbers of children participating in child care</i> 42	
Summary.....	43
6. Comparison with industry benchmarks and innovation	44
Vacation care targeted to younger teenagers	44
Child Friendly Cities	44
Integrated children's services	45
Intergenerational care.....	46
Appendix A - List of all children's services leased or directly managed by North Sydney Council	47
Appendix B: North Sydney local government area current and future population	48

Current and future population..... 48

Population age groups..... 49

Households with dependents 51

Ancestry 51

Household income 52

Workers..... 52

Australian Early Developmental Census..... 53

List of tables

Table 1.	2021/22 proposed direct grants to Council’s children’s services licence holders	21
Table 2.	Education and care services in the North Sydney area	28
Table 3.	Number of children’s services by suburb	28
Table 4.	Number of approved children’s services places by suburb	29
Table 5.	Number of approved child places by age break up.....	30
Table 6.	Average daily fees for all children’s services by age group and suburb	30
Table 7.	Comparison of all long day care centre daily fees by suburb	31
Table 8.	Quality rating of children's services located in the North Sydney LGA	32
Table 9.	Quality rating by ownership	32
Table 10.	North Sydney resident and non-resident workers.....	37
Table 11.	Percentage of children developmentally vulnerable from 2012 to 2018	39
Table 12.	North Sydney - percentage of children developmentally vulnerable in 2018.....	39
Table 13.	Workforce participation 1978 to 2019 by gender and work mode	42
Table 14.	Number of children using child care, June quarter 2016 to December 2020.....	43
Table 15.	North Sydney Council suburbs.....	48
Table 16.	North Sydney Council suburbs current and future population	49
Table 17.	North Sydney Council forecast age structure by service age groups.....	50
Table 18.	Babies and preschoolers (0-4) population by suburbs in 2021 and 2036	50
Table 19.	Primary schoolers (5-11) population by suburb in 2021 in 2036.....	51
Table 21.	Household income quartiles	52
Table 22.	North Sydney resident and non-resident workers.....	53
Table 23.	North Sydney resident workers usual method of travel to work	53
Table 24.	AEDC map of North Sydney community area	54
Table 25.	Percentage of children developmentally vulnerable from 2012 to 2018	55
Table 26.	North Sydney - percentage of children developmentally vulnerable in 2018.....	56

Abbreviations & Glossary

ABS	Australian Bureau of Statistics
ACECQA	<u>Australian Children’s Education and Care Quality Authority</u> is an independent, national statutory body whose role is to assist governments administering the National Quality Framework for children's education and care
AEDC	<u>Australian Early Development Census</u> is a national measurement of child development for children when they first start primary school
BASC	Before and after school care
CBD	Central business district
CSP	<i>Community Strategic Plan 2018-2028</i>
DA	Development Application
ERP	Estimated Resident Population is the official population of the area. It is updated annually by the Australian Bureau of Statistics, and reassessed every Census.
FAW	Families At Work
FDC	<u>Family day care</u> is a type of formal care provided in the home environment of a registered educator
LDC	<u>Long day care</u> is regulated formal centre-based care providing all-day or part-day education and care for children. Long day care centres must follow an approved national curriculum to deliver an educational program that is reviewed under the National Quality Framework and Standard, and employ appropriately qualified staff
LGA	Local government area
NfP	Not-for-profit
NQS	<u>National Quality Standard</u> provides a national benchmark for early childhood education and care, and outside school hours care services in Australia where services are assessed and rated against the Standard, and given a rating for each of the seven quality areas and an overall rating based on these results
OSHC	Outside school hours care

Executive Summary

Background

The North Sydney local government area has a steadily increasing resident population, including increases in the number of families with young children. As a major CBD site, 86% of workers in the local area reside outside the Council boundary.



North Sydney Council's *Family and Children's Services Strategy 2018-2024* identifies a number of initiatives to support child and family well-being and belonging including access to affordable children's services.

Access to children's services contributes to two important outcomes. First, children attending these services should be receiving good quality education and care not only for socialisation, but to establish the educational foundations these children need to be lifelong learners, workforce participants, and good citizens. Access also enables North Sydney resident families and non-resident workers with young children to participate in the workforce.

Mid-way through this *Strategy* Council is interested in reviewing its progress to identify what is working well, what the opportunities are for more effective children's services operations and any recommendations for change.

Children's services in North Sydney

North Sydney Council is a facilitator and enabler of access to children's services. Council does this by leasing its nine children's services facilities to eight not-for-profit children's services providers. These providers deliver long day care, occasional child care, after-school and vacation care. Council directly provides family day care. These services cater for 389 of the 3,713 approved places available in the local area per day.

The three long day care centres located in Council facilities charge daily fees that are below the average in the suburb they are located in; with one exception, where the fees for older children only are just above the average for the suburb. Council's direct and in-kind financial contributions are positively impacting on children's services affordability in the local area.

Council's investment through the provision and maintenance of children's services properties and grants is achieving quality outcomes for North Sydney children. All licence holder children's services that participate in the National quality assurance program - National Quality Standard (NQS) - are rated as at least Meeting the NQS.

Half of the children's services in the LGA are rated as Exceeding NQS, 42% are Meeting NQS and 10% are Working Towards the NQS. Proportionally more services in the North Sydney LGA provide better

quality education and care compared with all services in Australia where only 29% are Exceeding, 55% are Meeting and 15% are Working Towards NQS¹.

Throughout Australia private children's services receive proportionally lower quality ratings than not-for-profit community managed services. Quality service delivery regardless of ownership is higher in North Sydney with all not-for-profit providers being rated as either Meeting or Exceeding NQS and 80% of private providers are rated as either Meeting or Exceeding NQS.

The Australian Early Developmental Census shows that North Sydney children are developmentally better off than many of their counterparts in the greater Sydney area. One in 10 NSW children commenced school developmentally vulnerable in two or more domains compared with one in 20 in North Sydney. However, over the past three Australian Early Developmental Census periods (2012, 2015 2018) the proportion of North Sydney children who are developmentally vulnerable has increased in all domains, with the largest increase in emotional maturity. Access to good quality children's services is one of the mitigating factors against developmental vulnerability.

Ongoing demand for children's services

An important consideration for Council is that it is supporting financially viable and sustainable children's services. Council's investment in these services, through its grants program and license agreements, must also provide evidence of benefit and value to Council, as well as the children and families using these children's services. This can be done through understanding the profile of families accessing licence holder children's services and the quality of the education and care provided at the services.

There is current strong demand for long day care and preschool in the North Sydney local area with most long day care centres and all preschools having waiting lists. The waiting lists for long day care centres were predominantly for babies and toddlers. Most outside school hours care services had vacancies across the week. The survey of children's services providers in the local area reported that in 2020 families did not go on waiting lists due to the uncertainty of COVID-19. Families are now applying for care in the future and waiting list numbers are increasing again.

There will be ongoing demand for children's services in the North Sydney area for the following reasons.

- The resident population in North Sydney will continue to grow to from 78,315 in 2021 to 84,422 in 2036. While there will be a very small decrease in the number of resident children aged from birth to 12, these children will still comprise around 5% of the resident population in 2036 as they do in 2021.
- A combination of increased population including children aged from birth to 4 years, and increased number of households including households with dependents indicates that there is likely to be a sustained demand for children's services.
- Some families are not able to access any or adequate child care to meet their needs. These families have an unmet demand for child care that the market is not providing for. Australian

¹ Australian Children's Education and Care Quality Authority (2021), *NQF Snapshot Q1 2021*, p. 16

Bureau of Statistics report *Childhood Education and Care, Australia June 2017* indicates that 8% of families require additional formal child care.

- More than two thirds of North Sydney residents are in the labour force, and North Sydney is a major CBD. Resident workers comprise 14% of the total workforce in the North Sydney LGA with the remaining 86% working in the LGA and living outside the LGA. The North Sydney workforce will increase from 86,923 in 2012 to 107,336 in 2036.
- Access to good quality children's services enables family access to the workforce.
- The number of women participating in the workforce will continue to increase at a faster rate than the number of men. As more women with children are participating in the paid workforce they are more likely to require ongoing access to children's services.
- More children are participating in formal child care. It is most likely that as quality continues to improve in children's services provision, and as more women enter the workforce, the number of children accessing children's services will continue to increase.

Recommendations

These recommendations provide Council with a benchmark of quality and financial sustainability to measure the success of its grants program, as well as setting out clear reporting requirements for license holders. These recommendations ensure that Council is receiving benefit and value from its very modest investment of \$518 per approved child place, as a facilitator of children's services to North Sydney residents and workers.

These recommendations will directly inform Council's *Family and Children's Services Strategy* and wider *Community Strategic Plan* with children's services license holders required to meet minimum quality standards and, articulate through annual joint strategic planning how they are contributing to Council's relevant strategies.

Council's Family and Children's Services Strategy

This *Strategy* reflects how Council interacts and supports children's services grant recipients and licence holders. Council could more proactively gather input and feedback on how its current strategy is tracking including receiving direct input from families using the services operated out of Council's licensed facilities.

Additionally, the Child Safe Standards numbers 2 and 3 (that Council has commenced implementing) require that Council develops ways that children are able to participate in decisions that affect them and are taken seriously; and families are informed and involved in areas of Council business relate to child safety.

Recommendations

1. Council provides a brief annual report that identifies what has been achieved and what remains to be achieved in the current *Strategy*.
2. Council develops and distributes a pilot survey (preferably online) to families who use the leased children's services facilities asking for specific feedback in relation to the current and future iterations of the *Strategy*.
3. Council develops questions for its periodic customer satisfaction survey regarding children's services satisfaction with quality, access and affordability as these issues relate to the *Strategy*.

Regular engagement with licence holders

It is important that Council understands and can track the benefit and value it receives from its grants program and children's services licence holders. To do this Council needs to have a way to facilitate gathering this information. Holding compulsory, face-to-face six monthly networking sessions with all licence holders will help facilitate Council's understanding and monitoring of these benefits.

Recommendations

4. Future license and funding agreements should include compulsory attendance at Council's six monthly strategy networking sessions.
5. Council facilitates a six monthly strategy networking session for all child care licence holders and grant recipients.

Understanding how children's services license holders add value and benefit to North Sydney resident and worker children

North Sydney Council is a facilitator and enabler of access to affordable, good quality children's services at its nine externally managed children's services facilities, these services are approved to provide 389 child places per day. In the 2022 financial year the proposed direct grants to Council's children's services license holders equates to a very modest \$518 per child place².

Council is able to influence the outcomes for children in its strategies through its license agreements. Currently licence holders have minimal reporting requirements to Council. To understand the benefits and values Council's contribution makes to North Sydney resident and worker children Council needs to be able to:

- monitor and evaluate the quality of education and care provided
- the profile of families accessing the services including those with additional needs, from culturally and linguistically diverse backgrounds, and Aboriginal and Torres Strait Islander backgrounds
- understand parents level of satisfaction with the education and care they are receiving through these licence holders
- understand how child safety and well-being is being provided for
- understand how children's voices are being elevated to reflect the requirements of the Child Safe Standards

Recommendation

6. The License Agreements could provide greater flexibility so that providers could adapt their service delivery model as child and family needs change without having to amend the agreement.

² Proposed grants 2021/2022 to children's services license holders net cost to Council is \$201,339. These license holders provide 389 approved child places. This equates to \$518 per approved child place. See Table 1 on page 21 of this report for more detail.

7. Future license and funding agreements should include schedules that require the provision of standardised annual reporting data within specified agreed timeframes that directly inform Councils related strategies.

Council influencing the quality of education and care received by children

Currently all Council licence holders and grant recipients are rated as either Meeting or Exceeding NQS. Council should only be aligning itself with services that are least Meeting NQS ensuring that children attending these services are in good quality education and care environments. Council may want to consider providing additional support for those services that are rated as Exceeding NQS or Excellent.

Recommendations

8. Council Licence Agreement schedules should set a minimum quality standard for all child care providers; this should be Meeting NQS.
9. Council grants should only be provided to children's services that are rated as Meeting NQS or above.
10. Until the occasional care centre has received a NQS rating a Council officer should attend an annual board meeting of the occasional care centre to discuss the centre's policies, procedures, child care practices and quality controls.

Council may also want to determine consequences if one of its children's services licence holders or grant recipients received a Working Towards NQS rating.

Recommendations

11. Children's services licence holders should be required to apply for another assessment and rating visit within an agreed timeframe if they receive a Working Towards NQS rating.
12. Either party to the license agreement is able to terminate the license agreement early without penalty should a second Working Towards NQS rating be received.

Child Safe Standards

North Sydney Council has commenced implementation of the Child Safe Standards. These Standards work towards ensuring an organisational culture where child safeguarding is everyone's responsibility. The Standards need to be embedded in organisational leadership, governance and culture with senior management being champions of a child safe culture to the child safety is shared across all levels of Council.

Recommendations

13. There is a whole of Council approach to developing and implementing the Child Safe Standards. To assist with this whole of Council approach the Child Safe Standards should be linked with the current and future *Family and Children's Services Strategy* and embedded in its Community Strategy and related delivery plans.
14. Council strategies involving children need to be proactively linked and aligned to the Child Safe Standards.
15. Each division of Council commits to sending a representative to the Child Safe Committee or any other child related committee or strategy.

16. To assist with ongoing compliance with the Child Safe Standards any reviews and strategic development related to children need to include all areas of Council business that may relate to children such as parks and recreation and planning.

Influencing future supply of child places

Currently there are 3,713 approved child places in the North Sydney LGA. Around one third of all places are provided for school age children (38%) and children aged 3 to 5 years (33%), followed by children aged 2 to less than 3 years (15%) and babies (14%).

Most long day care services had waiting lists for babies. This is often an area of great demand supporting women returning to work from parental leave.

Recommendation

17. Council to consider how it can leverage voluntary planning agreements for new children's services to increase the supply of places for children aged from birth to less than two years in the local area.

1. Introduction

The North Sydney local government area has a steadily increasing resident population, including increases in the number of families with young children. As a major CBD site, 86% of workers in the local area reside outside the Council boundary.

Resident couples and non-resident workers with young children require access to children's services to support workforce participation. Children require access to good quality education and care services not only for socialisation but also early learning to be ready for school entry and set the basis for life-long learning.

North Sydney Council's *Family and Children's Services Strategy 2018-2024* identifies a number of initiatives to support child and family well-being and belonging including access to affordable children's services. Mid-way through this *Strategy* Council is interested in reviewing its progress to identify what is working well, what the opportunities are for more effective children's services operations and any recommendations for change. Specifically, this review will consider at a high level:

- "Alignment with Council's Strategic/Delivery/Operational Plan objectives
- Efficiency and Effectiveness
 - Costs
 - Contract management
 - Transparency (to Council and the community)
- Comparison with industry benchmarks and innovation
- Current priority Actions under *Family and Children's Services Strategy 2018-24 (p.5)* include several specific projects as well as two overarching ones:
 - Continue to contribute to affordable child care options
 - Keep children safe"³

Families At Work (FAW) was retained by North Sydney Council to investigate these areas and this report provides findings of this investigation.

Methodology

This report utilises a number of different methodologies including:

- desktop research
- phone surveys with all children's services providers in the local area
- interviews with key education and care service stakeholders
- focus group with representatives from children's services operating from Council premises

Review of existing early childhood education and care services market place

To determine the current supply of education and care services catering to children aged from birth to 12 years before they go to school in the North Sydney local government area (LGA), a complete listing of all education and care services was obtained from the National Registers published by

³ *North Sydney Council Children's Services Review 2021*, p. 1

Australian Children's Education & Care Quality Authority (ACECQA). Each service was contacted by phone.

Current and future child care needs

Demand for children's services was determined by understanding a range of factors including:

- the current and future population of children living in the North Sydney area
- the proportion of these children likely to access formal care
- the proportion of children accessing long day care
- proportion of unmet demand for child care
- how many days children access care

Data sources

The following key data sources were used for this study.

Australian Bureau of Statistics (ABS)

- Census 2016
- *Childhood Education and Care, Australia June 2017 (Cat 4402.0)*

North Sydney Council

- Profile ID (Resident Forecast)

Education and care services included in this report

This report considers those services that are defined as education and care services under the *Education and Care Services National Law 2010* (Commonwealth) and its subordinate *Education and Care Services National Regulation 2011* (Commonwealth). The Regulation defines education and care services as meaning

any service providing or intended to provide education and care on a regular basis to children under 13 years of age⁴

What services are included

The following children's services are included in this report. These service types are considered 'formal child care' that is regulated care away from the child's home. The following extract from the *Education and Care Service National Law 2010* describes the service types included in this report.

Long day care - these are centre-based childcare services providing all-day or part-time care for children. Long day care primarily provides services for children aged 0-5 years ...

Family day care - are those services providing small group care for children in the home of an educator. Care is primarily aimed at children aged 0-5 years, but primary school children may also receive care before and after school, and during school holidays

⁴ *Education and Care Services National Law 2010*, Cl. 5, (1)

Occasional child care - comprises services usually provided at a centre on an hourly or sessional basis for short periods or at irregular intervals for parents who need time to attend appointments, take care of personal matters, undertake casual and part-time employment, study or have temporary respite from full-time parenting. These services are aimed primarily at children aged 0-5 years.

Outside school hours care - these services provide care for school aged children to 12 years old before school, after school, during school holidays and/or on pupil free days. OSHC may use stand-alone facilities, share school buildings and grounds and/or share facilities such as community halls. [These services are generally referred to as before school care, after school care and vacation care.]

Preschool - includes services that deliver early childhood education programs provided by a qualified teacher that are aimed at children in the year before they commence full-time schooling, although there are different child starting ages across jurisdictions.⁵

This report also includes **occasional child care** which is regulated under NSW *Children (Education and Care Services) Supplementary Provisions Act 2011* and the NSW *Children (Education and Care Services) Supplementary Provisions Regulation 2019*. The supplementary law and regulation align occasional care with many of the requirements under the national law and regulation including staff qualifications, ratios of staff to children and participation in the National Quality Standard.

What services are not included

It excludes mobile children's services; short term on-site care at gyms, hospitals or conferences attended by the parents; early intervention and some disability services; and personal arrangements such as nannies or babysitters.

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- ⁵ Productivity Commission (2014), *Childcare and Early Childhood Learning*, Inquiry Report No. 73, Canberra, p. 76.

2. North Sydney Council's current strategies related to children's services

This section of the report provides an overview of North Sydney Council's current strategies relating to children's services and child well-being and identifies opportunities to enhance and strengthen Council's sphere of influence in these areas. A variety of documents have been drawn on including:

- *Family and Children's Services Strategy 2018-24*
- *Community Strategic Plan 2018-2028*
- *Draft Community Grants and Subsidies Policy*
- *North Sydney Community Centre - Joint Strategic Plan Review 2021/22*
- *Infrastructure Contributions Plan 2020*
- A License Agreement

North Sydney Council's current strategic approach to children

North Sydney Council's current strategic approach to children is informed by its *Family and Children's Services Strategy 2018-2024* that identifies a number of actions and outcomes that work towards enhancing "belonging and wellbeing for families and children [aged from birth to 12 years] and allow their aspirations to be met"⁶. Key objectives of the *Strategy* focus on:

- access to and affordability of child care including outside school hour care (OSHC)
- child and family safety
- connectedness, inclusion and support
- health and well-being including access to housing

The *Strategy* was developed to respond to the increased numbers of families with young children in the local area, now and into the future who will require access to safe, affordable, good quality children's services, public areas and recreation spaces.

The *Strategy* sits under the overarching *Community Strategic Plan 2018-2028* (CSP) that identifies areas of work including providing "services, facilities and information to meet the needs of North Sydney's diverse communities (including children, young people, older people, residents and workers) [and improving] access to early childhood care facilities"⁷.

The *Strategy* supports Council's historical approach to child care services as a facilitator, rather than a direct provider of services. Council does provide one direct service - family day care – which commenced operations in 1974. It has long term child care services provider partners in the facilities it owns.

Council also supports the provision of vacation care under the CSP 2018-2028 delivery plan outcome: 4.1 "North Sydney is Healthy, Inclusive and Safe"⁸. Council contracts an external expert provider to run vacation care programs from its facilities.

⁶ North Sydney Council (2018), *Family and Children's Services Strategy 2018-24*, p. 4

⁷ North Sydney Council (2018), *Family and Children's Services Strategy 2018-24*, p. 6

⁸ North Sydney Council (2018), *Community Strategic Plan 2018-2028*, p. 47

Council's *Infrastructure Contributions Plan 2020* recommends the provision of 66 additional child care places based on resident and workers population growth that would be funded through resident and non-resident development contributions⁹. These places may eventually replace Greenwood Long Day Centre currently operating at 28 places and/or McMahons Point Community Preschool currently operating with 24 places. It is difficult to operate a financially viable service with such small numbers of children. The provision of additional child care places would assist North Sydney Council continue to meet its objectives relating to affordable and accessible child care. The expansion of these services with increased child places would assist in working towards greater financial sustainability that may result in a reduction of Council grant support.

North Sydney Council has also recently resolved (April 2021) to relocate Kelly's Place Children's Centre to alternate premises due to the age of the existing building and the increased costs required to ensure the building meets regulatory requirements. Kelly's Place is currently located in a much wider public transport development hub that once complete would not be suitable for a children's service. In 2020 Kelly's Place received a one off grant due to the deteriorating condition of the building. Once this centre is in new premises it should not need a grant.

Strategy reporting and transparency

Council could consider ways to make the *Strategy* a living, breathing document that actively informs the business of Council. The *Strategy* provides Council with an opportunity to review its partnerships for alignment and best fit.

Internally, the *Family and Children's Strategy* outcomes are reported annually against each of the current *Strategy* objectives to the Director Community and Library Services.

Within Council there seems to be limited links with wider Council strategies, and across Council business. These links could be strengthened by the Child Safe Standards review which is currently in process.

Children, families and the wider community were consulted as part of the development of the *Family and Children's Services Strategy 2018 – 2024*. It is not clear how children, families and the wider community provide feedback during and after the implementation of the *Strategy* to inform the current and future strategies. The following recommendations are made in relation to this.

Recommendations

1. Council provides a brief annual report that identifies what has been achieved and what remains to be achieved in the current *Strategy*
2. Council develops and distributes a pilot survey (preferably online) to families who use the leased children's services facilities asking for specific feedback in relation to the current and future iterations of the *Strategy*
3. Council develops questions for its periodic customer satisfaction survey regarding children's services satisfaction with quality, access and affordability as these issues relate to the *Strategy*

⁹ *North Sydney Council Infrastructure Contributions Plan 2020*, p. 48

The pilot survey to families using Council's leased children's services facilities could form an annual survey with distribution of this annual survey forming part of subsequent license agreements requiring licence holders to distribute this survey to families enrolled at the facility using their internal communications processes.

These recommendations would enable Council to gather real-time data to inform the current and future *Strategies*, more actively enabling local residents and families using Councils leased children's services facilities to have direct input to the current and future *Strategy*.

Child Safe Standards numbers 2 and 3 require that Council develops ways that children are able to participate in decisions that affect them and are taken seriously; and families are informed and involved in areas of Council business related to child safety. Children are sometimes consulted around playground concept designs; however this is not a standard process for every playground.

Council may be able to provide an explicit voice for children as part of strategic consultations, implementation and review of actions through its children's services licence agreement holders and grant recipients. For example, children's services teachers and educators facilitating conversations with children about the playground redesign close to their service or documenting how children might like to use a local community arts centre, and providing this feedback to relevant areas of Council.

The following are some suggested ways that Council could ensure that its ongoing investment through the provision and maintenance of children's services premises and grants to NfP children's services providers can continue to support implementing Council's *Family and Children's Services Strategy*.

- Council to facilitate six monthly strategy networking sessions with compulsory attendance from all of the child care licence holders and grant recipients to discuss how they can contribute to relevant Council strategies, what output and outcome measurements will be used and agree on reporting requirements. These sessions could run for two hours and include for example:
 - a 30 minute discussion with the centre representatives providing feedback to be current *Family and Children's Services Strategy* and input into future strategies. This would create regular feedback and input to the *Strategy*; making it a living breathing document for Council
 - 60 minutes for guest speaker presentation and discussion. The speakers could be internal for example around Council sustainability program, or an external specialist that Council may sponsor to attend
 - 30 minutes for networking and information sharing
- Council should be acknowledged on public documents as a contributor to each of the child care centres, including web sites, newsletters and similar
- Providing an explicit voice for children to be included as part of the strategic consultations and implementation of actions

Recommendations

4. Future license and funding agreements should include compulsory attendance at Council's six monthly strategy networking sessions.

5. Council facilitates a six monthly strategy networking session for all child care licence holders and grant recipients.

What does North Sydney Council do to meet Strategy objectives

An assessor of children's services Development Applications

Council assesses all children's services development applications as a way to influence quality through built design.

All Development Applications (DA) related to child care are referred to the Manager, Community Development for assessment against relevant development plans, the *State Environmental Planning Policy (Educational Establishments and Child Care Facilities) 2017*, and the *Education and Care Services National Regulations*.

Each applicant must provide Council with evidence showing how they meet the required standards set out in relevant documents.

If the proposal is for a large or more complex facility the Manager, Community Development may refer the DA to an external children's services expert for their advice and opinion.

A facilitator of access to affordable education and care services

Council acts as a facilitator and enabler for families to access affordable, good quality education and care by leasing its nine purpose built children's services facilities to the NfP providers at community or peppercorn rents. This arrangement ensures that families continue to have a choice of NfP service providers. The location of these services in Council premises enables these services to reduce fees to families.

Council's eight external child care facilities are managed by 10 different not-for-profit (NfP) children's services providers. These externally managed programs comprise:

- long day care - 3
- preschool - 4 (although McMahon's Point Community Preschool is now legally defined as a long day care centre as it operates for 48 weeks of the year, not just school terms, to receive the Child Care Subsidy from the Australian Government, while retaining preschool operating hours of 8.30am to 3.30pm)
- occasional care - 1
- after school care - 1
- vacation care - 1

In addition Council directly manages and provides family day care.

The diversity of children's services type provides a choice for families. Anecdotally there is increasing demand for long day care that operates all year round for usually for 10 to 12 hours each day. This suits parents who are working. The four preschools were established historically when there was high demand and a shortage of preschool places in the local area. All of these preschools have current waiting lists. The preschool facilities are not designed to accommodate children aged from birth to less than two years; capital expenditure would be required to adapt these building to accommodate babies and toddlers.

Six of the nine services provide high quality education and care as evidenced by their Exceeding National Quality Standard (NQS) rating. Occasional child care is regulated through NSW based legislation. NSW has aligned this regulation with the national law and regulation so that occasional child care is now required to participate in the NQS.

A focus group conducted with Council license agreement holders identified that these services catered for many local residents and believed they were more inclusive in supporting children with additional needs.

Council contracts Gowrie NSW to provide vacation care at North Sydney Community Centre and Grandstand Kindergarten during each public school holiday (four times per year). The contract is for a 2 +2 year period and Gowrie NSW is currently in the first year of the option (the third year of a 4-year contract). Council pays Gowrie NSW an annual management fee and provides equipment and improvements required for indoor and outdoor play areas to ensure compliance with regulatory requirements.

Direct service provision

Council directly operates family day care (FDC) that currently caters for up to 160 children per week in the North Sydney and wider Sydney areas. This service provides high quality education and care as evidenced by its Exceeding NQS rating.

Grants provided to the child care centres

North Sydney Council provides a variety of community grants and subsidies each year to stimulate “the not for profit and volunteer sector (particularly the volunteer Boards of the community centres and child care centres)¹⁰”.

Table 1. 2021/22 proposed direct grants to Council’s children’s services licence holders

Expenditure	
Direct grants comprising 3.3% of all direct grants provided	\$ 27,768
In-kind contributions	
parking subsidies comprising 10.5% of all parking subsidies provided	\$ 19,773
building and grounds maintenance comprising 35% of all maintenance subsidies provided	\$ 236,000
Subtotal - in-kind contributions	\$ 255,773
Total all contributions	\$ 283,541
Income	
Child care rents paid to Council	\$ 82,202
Net cost to Council	\$ 201,339
Total children per day catered for across all license holder children's services	389
Cost per child catered for	\$ 518

NB: This does not include the direct costs of providing family day care
Source: Draft Community Grants & Subsidies 2021/22

¹⁰ North Sydney Council Reports *Draft Community Grants and Subsidies Policy* Item CLS01, 27.5.19, p. 2

The net cost to Council of \$201,339 represents 17% of all direct and in-kind contributions provided by Council to the children's services licence holders. This equates to a modest Council investment of \$518 per approved child place per annum.

If Council wants to continue to influence children's services affordability and quality then partnering with NfP children's services providers and paying direct and indirect subsidies will work to ensure this.

If Council wants to contain costs or make savings then options to enable this could include:

- increasing the family day care parent levies on an annual basis. It is standard practice to increase children's services fees and levies on an annual basis (excluding last year due to COVID 19 and the financial impact on families when most children's services either did not increase their fees, or did so by a very nominal amount) in line with CPI. Family day care increased its levies in 2021 for the first time since 2018; the levy increased from \$1.25 to \$1.50
- increasing the rents paid to Council for long day care and preschools
- reducing direct grants

These decisions should be guided by an annual financial review of each of the children's services license holders, and the wider North Sydney children's services market considering number of services, child places and fees.

Opportunities for Council to influence the outcomes for children in its strategies

Council could exert more influence on access, affordability and quality outcomes for children through its grant program and license agreements. Council wants to have confidence that it is funding financially viable and sustainable children's services now and into the future.

Current License Agreements

Council has License Agreements with each of the NfP providers setting out standard terms and condition including use of premises and equipment inventory detailing responsibility for maintenance. Some inventory items have joint responsibility such as the sand pit and outdoor soft fall. It is not clear how this joint responsibility works in practice. The children's services licence holders have a strong relationship with Council's property maintenance team to ensure that the Council owned premises are maintained to a safe and high standard as required under the relevant children's services law, regulation and quality frameworks.

The license agreements are also quite prescriptive about the days, hours and type of service that can be provided. It may be beneficial to allow greater flexibility so that licence holders can adapt their children's services model to reflect the changing needs of the local community.

Recommendation

6. The License Agreements could provide greater flexibility so that providers could adapt their service delivery model as child and family needs change without having to amend the agreement.

License holders must meet standard Council leasehold requirements. Council currently does not exert any influence on quality or ages of children catered for through these licenses.

Licence holders are required to provide their annual Audited Statements to the Community and Library Services Director. Audited statements enable the Director to review the grants and subsidies that the centres have received. Most of the licence holders operate on a calendar year. Council operates on a financial year. There is always a time delay in reviewing grants and subsidies received and endorsement of the Annual Grants and Subsidies Report.

Some of the grant recipients (community centres) are required to provide annual Joint Strategic Plan reviews. The Joint Strategic Plan reviews assist the community centres to report on their operation and finances, and importantly align their high level planning with Council's CSP. Currently children's services do not develop joint strategic plans with Council or complete annual Joint Strategic Plan reviews.

The subsidies to the children's services licence holders actively support the first priority action in the Family and Children's Services Strategy 2018 - 2024 that Council continue to make a contribution to affordable children's services options (maintain current grants and subsidies program)¹¹.

Council's Community Development team has regular contact with the managers of the children's services licence holders. Currently there is little formal reporting that the children's services licence holders are required to complete; however, given that the children's services receive almost one fifth of all community grants and subsidies they should be required to more actively partner with Council to help deliver on its strategic goals.

License agreements should include the provision of mandatory reports that provide evidence of financially sustainable and good quality service delivery. Information should also be provided in a consistent format (provided by Council) to enable Council to aggregate and compare data from the children's services licence holders. The following information could be captured through an annual request for data:

- current NQS and date of most recent review
- total children per week (in a typical week) catered for by age break and home residence (in or out of the LGA)
- proportion of children in receipt of Child Care Subsidy by level
- proportion of additional needs, culturally and linguistically diverse, and Aboriginal and Torres Strait Islander children catered for
- results of annual parent and/or child satisfaction survey
- practical examples of child safety, well-being and health activities provided to children and families (managing privacy requirements)
- how children's voices are elevated in pedagogy and practice

Recommendation

¹¹ North Sydney Council (2018), *Family and Children's Services Strategy 2018-24*, p. 5

7. Future license and funding agreements should include schedules that require the provision of standardised annual reporting data within specified agreed timeframes that directly inform Councils related strategies.

Quality outcomes for children

Council could be aligning its grants program and license agreements with services that deliver good quality to North Sydney resident children and non-resident employee children. Currently all children's services that receive the Child Care Subsidy and preschools are required to participate in the NQS, a national quality assurance program. From October 2019 occasional care has been included in this process. Kidsnest – Crows Nest Occasional Care is yet to be assessed¹².

The NQS rates services against seven quality areas with four possible quality ratings as shown below¹³.

	Significant Improvement Required	Working Towards NQS	Meeting NQS	Exceeding NQS	Excellent
1 Educational program and practice	Service does not meet one of the seven quality areas or a section of the legislation and there is a significant risk to the safety, health and wellbeing of children. The regulatory authority will take immediate action.	Service provides a safe education and care program, but there are one or more areas identified for improvement.	Service provides quality education and care in all seven quality areas.	Service goes beyond the requirements of the National Quality Standard in at least four of the seven quality areas.	Exceeding rated services that promote exceptional education and care, demonstrate sector leadership, and are committed to continually improving. This rating can only be awarded by ACECQA.
2 Children's health and safety					
3 Physical environment					
4 Staffing arrangements					
5 Relationships with children					
6 Collaborative partnerships with families and communities					
7 Governance and leadership					

Source: ACECQA (2021), *NQS Snapshot Q1 2021*, p. 15

The most recent ACECQA national quality snapshot reports that:

- 85% of long day care services are either Meeting or Exceeding NQS
- 95% of preschools are either Meeting or Exceeding NQS
- 81% of OSHC are either Meeting or Exceeding NQS
- 53% of family day care are either Meeting or Exceeding NQS

In North Sydney 100% of NfP providers are rated as either Meeting or Exceeding NQS and 80% of private providers are rated as either Meeting or Exceeding NQS (April/May 2021). All Council licence holders and grant recipients are currently rated as either Meeting or Exceeding NQS.

¹² NSW Department of Education advised that Services NSW hosts a reliable site about NSW children's services quality ratings - <https://www.service.nsw.gov.au/find-eccec-providers>. Occasional child care is currently not included in the finder; however the Department anticipates that it will be in the future.

¹³ A rating of Significant Improvement Required means that a service is non-compliant with children's services legislation and regulation and there is a risk to the well-being of children attending the service.

Council could set a minimum quality requirement that all child care services that are located in Council premises or receiving grants from Council should at least be rated Meeting NQS to ensure the children attending these services are in good quality environments. Council may want to consider providing additional support for those services that are rated as Exceeding NQS or Excellent.

Recommendations

8. Council Licence Agreement schedules should set a minimum quality standard for all child care providers; this should be Meeting NQS.
9. Council grants should only be provided to children's services that are rated as Meeting NQS or above.
10. Until the occasional care centre has received a NQS rating a Council officer should attend an annual board meeting of the occasional care centre to discuss the centre's policies, procedures, child care practices and quality controls.

Council may also want to determine consequences if one of its children's services licence holders or grant recipients received a Working Towards NQS rating. Consequences could include:

- the license holder providing a report to Council identifying why this rating was given, steps the service is taking to improve its rating
- Council and the license holder agreeing on a reasonable time for the service to apply for reassessment. Council could reasonably expect a reapplication to occur within 6 to 12 month period

If the license holder received a second Working Towards NQS Council should consider its ongoing financial and license support for this service, this could include allowing either party to the license agreement being able to terminate this agreement early without penalty should a second Working Towards NQS rating be received.

Recommendations

11. Children's services licence holders should be required to apply for another assessment and rating visit within an agreed timeframe if they receive a Working Towards NQS rating.
12. Either party to the license agreement is able to terminate the license agreement early without penalty should a second Working Towards NQS rating be received.

Other opportunities to support children and families in the LGA

A focus group conducted with Council license agreement holders identified other ways these services could work together to support children and families.

- Children's services working together to provide a shared annual event at the Children's Festival
- Look for opportunities to do joint grant submissions as this may enable access to larger pools of funding to support children and families from multiple services
- Sharing information at networking meetings such as the sustainability programs provided at Grandstand Child Care Centre

- Some families attend more than one children’s service in the LGA. To assist families with relevant information sharing, each service could include information sharing clauses in their enrolment forms to allow this to occur
- Leveraging Council’s existing resources such as sustainability, waste management, bush care

Child Safe Standards

In NSW the Office of the Children’s Guardian has oversight of the implementation of the [Child Safe Standards](#). These Standards aim to provide a nationally consistent approach to organisational child safety practices and are applicable to any child related organisation including education and care services. The National Standards are listed below.

1. Child safety and wellbeing is embedded in organisational leadership, governance and culture.
2. Children participate in decisions affecting them and are taken seriously.
3. Families and communities are informed and involved.
4. Equity is upheld and diverse needs are taken into account.
5. People working with children are suitable and supported.
6. Processes to respond to complaints of child abuse are child focused.
7. Staff are equipped with the knowledge, skills and awareness to keep children safe through continual education and training.
8. Physical and online environments minimise the opportunity for abuse to occur.
9. Implementation of the Child Safe Standards is continuously reviewed and improved.
10. Policies and procedures document how the organisation is child safe.

The Standards work towards building an organisational culture where everyone working with children has a responsibility to ensure their safety. A child safe organisation is defined as one that:

- “creates conditions to reduce the likelihood of children being harmed
- creates conditions that increase the likelihood of identifying and reporting harm
- responds appropriately to disclosures, allegations and suspicions of harm”¹⁴

Currently compliance with the Standards is not yet mandatory; however this is pending and organisations such as councils are actively encouraged to implement the Standards. For North Sydney Council this would require any area of business that engages with children to consider its current child safe practices and how these may need to be adapted or updated to reflect the Standards.

North Sydney Council has already begun the process to implement the new Child Safe Standards. There is an internal committee that is tasked with this process. As part of this process a representative from the NSW Office of the Children’s Guardian has provided an information session to the General Manager, directors and managers.

Standard 1 requires the child safety and well-being is embedded in organisational leadership, governance and culture. A core component of this standard is that “the organisation publicly commits to child safety and leaders champion a child safe culture [and that] child safety is a shared

¹⁴ Office of the Children’s Guardian, *A guide to the child safe standards*, p. 5

responsibility to all levels of the organisation”¹⁵. To ensure the successful implementation of the standards it is critical that the General Manager, directors and managers are actively involved in development and implementation.

Recommendations

13. There is a whole of Council approach to developing and implementing the Child Safe Standards. To assist with this whole of Council approach the Child Safe Standards should be linked with the current and future *Family and Children's Services Strategy* and embedded in its Community Strategy and related delivery plans.
14. Council strategies involving children need to be proactively linked and aligned to the Child Safe Standards.
15. Each division of Council commits to sending a representative to the Child Safe Committee or any other child related committee or strategy.
16. To assist with ongoing compliance with the Child Safe Standards any reviews and strategic development related to children need to include all areas of Council business that may relate to children such as parks and recreation and planning.

Summary

Six of the 11 Council child care licence holders are currently rated as Exceeding NQS. Nationally, 42% of not-for-profit community managed providers achieve an Exceeding rating compared with 66% of Councils licence holders. Council's investment through the provision and maintenance of child care properties and grants is achieving quality outcomes for North Sydney children.

Child care licence holders and grant recipients receive the equivalent of 17% of all direct and in-kind contributions provided by Council. These child care recipients currently provide very limited information to Council. Council should expect to receive adequate information to ensure that it is funding financially viable and sustainable child care services now and into the future.

Council has commenced development of the Child Safe Standards. These Standards require a top-down approach with senior management being champions of a child safe culture so the child safety is shared across all levels of an organisation.

¹⁵ [Child Safe Standards - NSW Office of the Children's Guardian](#), accessed 11 June 2021

3. The current children's services market in North Sydney local government area

This section of the report provides information on the current education and care services market in the North Sydney LGA. All children's services catering for children aged from birth to 12 years not at school were contacted by phone and email to complete a survey in April/May 2021.

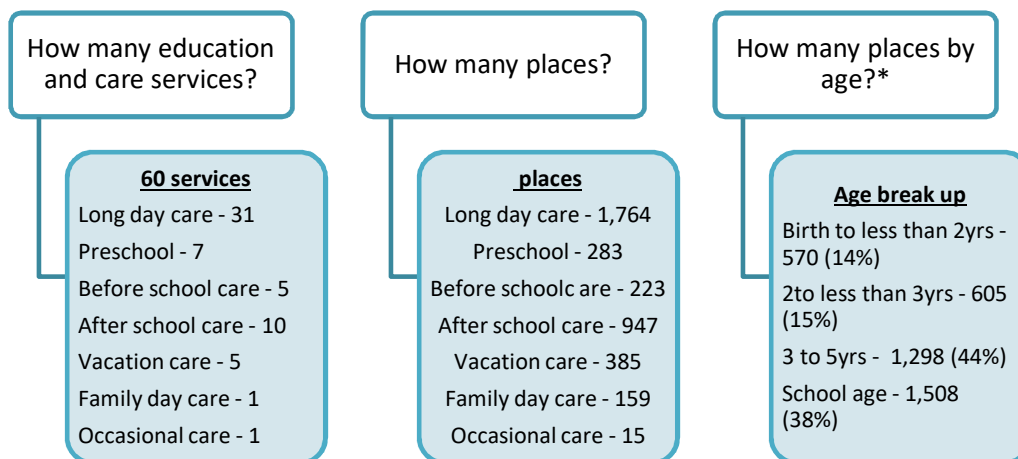
This survey had a 98% response rate, with 51 of the 52 education and care providers responding.

The source data for this market survey was the ACECQA National Registers that contain information about approved education and care services and providers.

North Sydney local government area

The following table summarises the education and care services in the North Sydney LGA. There are 52 providers that offer 62 services; one OSHC may provide before, after and/or vacation care.

Table 2. Education and care services in the North Sydney area



*This is an estimate of age break up only, and an under representation of the number of places available for each age group as one services did not respond to the survey

Source: Families At Work

Number of children's services and approved places by suburb

Number of services

Children's services are located in across the North Sydney area as the following table shows.

Table 3. Number of children's services by suburb

	LDC	preschool	before school care	after school care	vacation care	family day care	occasional care	total
Cammeray	3	1	2	2	1	-	-	9
Cremorne	3	1	-	-	-	-	-	4
Cremorne Point	-	-	-	-	-	-	-	0
Crows Nest - St Leonards	11	1	-	-	-	-	1	13
Kirribilli - Milsons Point	1	-	-	2	-	-	-	3
Kurraba Point	-	-	-	-	-	-	-	0
Lavender Bay -	1	1	-	1	1	-	-	4

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McMahons Point

Neutral Bay	3	1	1	1	1	-	-	7
North Sydney	8	2	2	5	3	1	-	21
Waverton	-	-	-	-	-	-	-	0
Wollstonecraft	1	-	-	-	-	-	-	1
totals	31	7	5	11	6	1	1	62

Source: ACECQA Registers, April/May 2021

The largest number of services are located in North Sydney (21) and Crows Nest/St Leonards (13) both large residential and busies districts.

Number of approved child care places

There are a total of 3,713 approved child places in the North Sydney local area. Almost half of the approved child places in the North Sydney areas are for long day care (1,764, 48%), followed by after school care (947, 26%), and vacation care (385, 10%). The following table shows the number of approved places in each North Sydney suburb.

Table 4. Number of approved children's services places by suburb

	LDC	preschool	before school care	after school care	vacation care	family day care	occasional care	total
Cammeray	24	40	75	295	120	-	-	554
Cremorne	223	60	-	-	-	-	-	283
Cremorne Point	-	-	-	-	-	-	-	0
Crows Nest - St Leonards	770	25	-	-	-	-	15	810
Kirribilli - Milsons Point	71	-	-	75	-	-	-	146
Kurraba Point	-	-	-	-	-	-	-	0
Lavender Bay - McMahons Point	24	31	-	20	20	-	-	95
Neutral Bay	177	60	100	260	90	-	-	687
North Sydney	433	67	48	297	155	96	-	1096
Waverton	-	-	-	-	-	-	-	0
Wollstonecraft	42	-	-	-	-	-	-	42
total	1764	283	223	947	385	96	15	3713

Source: individual contact with each service

The most approved places are located in North Sydney (1,159) and Crows Nest - St Leonards (810).

Not all of approved child places are used every day in every session of child care. For example, an OSHC service may be approved for 300 places and operate the before school session at 75 places as this is the demand from families in the morning. Some long day care centres have flexible licenses; a centre could have up to 20 children aged from birth to less than two years, two to less than three years and three to five years, however never more than 50 children on the premises at any one time.

Age break up of child places

Around one third of all places are provided for school age children (38%) and children aged 3 to 5 years (33%), followed by children aged 2 to less than 3 years (15%) and babies (14%).

Places for children aged from birth to less than two years comprise just less than one quarter (23%) of all places for children aged from birth to less than five years. Childrens' services provided for this age group most often supports women returning to work following parental leave. Council could

influence supply of places for children aged from birth to less than two years in the centres through voluntary planning agreements.

Recommendation

17. Council to consider how it can leverage voluntary planning agreements for new children's services to increase the supply of places for children aged from birth to less than two years in the local area.

The following table shows the number of approved places for children by age group and suburb.

Table 5. Number of approved child places by age break up

	birth to less than 2 years	2 to less than 3 years	3-5 years	school age
proportion of all places	14%	15%	33%	38%
proportion of birth to 5 year old places	23%	25%	53%	

Source: North Sydney Council/Families At Work market survey

Cammeray and North Sydney have large numbers of places for all children, including school age children with several large schools located in these suburbs – Cammeray, ANZAC Park, St Marys and North Sydney Dem Schools.

Cost of education and care services

Daily fees for children's services varied across the LGA.

Long day care average daily fees ranged from an \$73 in Lavender Bay – McMahons Point for children aged from three to five years attending a short day program where parents provide all food and drink to \$192 for children aged from birth to less than two years in Kirribilli – Milsons Point.

Preschool fees ranged from \$69.75 in Waverton to \$88 in Cammeray.

Family day care fees range from \$115-\$140 per day. The variation relates to whether the educator or the parent provides items such as meals and nappies.

Before school care daily fees ranged from \$13 in Neutral Bay to \$25.25 in North Sydney; after school care from \$21 in Neutral Bay to \$38.30 in North Sydney; and vacation care from \$57 in Cammeray to \$61.67 in North Sydney.

The following table shows the average fees for all children's services in each suburb in North Sydney.

Table 6. Average daily fees for all children's services by age group and suburb

	LDC - average daily cost			Preschool - average daily cost		OSHC - average daily cost			Occasional care	FDC
	0-2 yrs	2-3 yrs	3-5yrs	3yo	4yo	BSC	ASC	VC*		
Cammeray	\$166.67	\$155.00	\$141.67	-	\$88.00	\$14.50	\$22.50	\$57.00		
Cremorne	\$184.50	\$169.33	\$156.00	\$50.20	\$73.30	-	-	-		
Cremorne Point	-	-	-	-	-	-	-	-		
Crows Nest - St Leonards	\$163.80	\$158.22	\$151.00	-	\$86.00	-	-	-	0-2yo - \$17/hr 3-5yo - \$15/hr	
Kirribilli - Milsons Point	\$192.00	\$182.00	\$167.00	-	-	-	\$40.40	-		

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Kurraba Point	-	-	-	-	-	-	-	-		
Lavender Bay - McMahons Point	-	\$83.00	\$73.00	-	\$74.44	-	-	-		
Neutral Bay	\$188.50	\$165.67	\$152.67	-	\$74.44	\$13.00	\$21.00	\$60.00		
North Sydney	\$162.17	\$156.17	\$147.83	-	\$74.44	\$25.25	\$38.30	\$61.67		\$125.00
Waverton	-	-	-	-	\$69.75	-	-	\$61.67		
Wollstonecraft	\$133.00	\$129.00	\$127.00	-	-	-	-	-		
*in house days only, no excursions										

Source: North Sydney Council/Families At Work market survey

North Sydney Council contributes to more affordable children's services

Council's direct and indirect contributions to the three NfP long day care centres located in its facilities has resulted in all of these services charging lower than average daily fees to families, aside from one service in North Sydney, where the daily fee for children aged two or more years is slightly higher than the average.

The following table shows the average daily fees of all long day care centres located in the North Sydney local area and the daily fees of the three long day care centres supported by Council, by suburb.

Table 7. Comparison of all long day care centre daily fees by suburb

	all LDC - average daily fee			supported by Council daily fee		
	0-2 yrs	2-3 yrs	3-5yrs	0-2 yrs	2-3 yrs	3-5yrs
Cammeray	\$166.67	\$155.00	\$141.67	\$137.00	\$126.00	\$119.00
Cremorne	\$184.50	\$169.33	\$156.00	-	-	-
Cremorne Point	-	-	-	-	-	-
Crows Nest - St Leonards	\$163.80	\$158.22	\$151.00	\$146.00	\$144.00	\$140.00
Kirribilli - Milsons Point	\$192.00	\$182.00	\$167.00	-	-	-
Kurraba Point	-	-	-	-	-	-
Lavender Bay - McMahons Point	-	\$83.00	\$73.00	-	-	-
Neutral Bay	\$188.50	\$165.67	\$152.67	-	-	-
North Sydney	\$162.17	\$156.17	\$147.83	\$156.50	\$156.50	\$153.00
Waverton	-	-	-	-	-	-
Wollstonecraft	\$133.00	\$129.00	\$127.00	-	-	-

Source: ACECQA Registers, April/May 2021

Council's contributions are making children's services more affordable for North Sydney residents and non-resident employees.

It is not possible to make the same comparison for preschool, family day care and occasional child care as there are no other comparable services in the suburbs these services are located.

Quality rating

Fifty-one of the children's services in the LAG are eligible to be assessed under the NQS.

Half (49%) of the children's services in the LGA are rated as Exceeding NQS, 42% are Meeting NQS and 10% are Working Towards the NQS. Proportionally more services in the North Sydney LGA

provide better quality education and care compared with all services in Australia where only 29% are Exceeding, 55% are Meeting and 15% are Working Towards NQS¹⁶.

The following table shows the quality standard for all services in the North Sydney area.

Table 8. Quality rating of children's services located in the North Sydney LGA

	Excellent		Exceeding NQS		Meeting NQS		Working towards NQS	
	NfP	private	NfP	private	NfP	private	NfP	private
Cammeray	0	0	2	2	0	1	0	1
Cremorne	0	0	1	1	0	3	0	0
Cremorne Point	-	-	-	-	-	-	-	-
Crows Nest - St Leonards	0	0	3	4	2	1	0	2
Kirribilli - Milsons Point	0	0	0	0	0	1	0	1
Kurraba Point	-	-	-	-	-	-	-	-
Lavender Bay - McMahons Point	0	0	0	0	2	0	0	0
Neutral Bay	0	0	1	0	2	2	0	0
North Sydney	0	0	8	3	3	3	0	1
Waverton	-	-	-	-	-	-	-	-
Wollstonecraft	0	0	0	0	1	0	0	0
totals	0	0	15	10	10	11	0	5

Source: ACECQA Registers – April and May 2021

Throughout Australia private children's services receive proportionally lower quality ratings than not-for-profit community managed services. Quality service delivery regardless of ownership is higher in North Sydney as the following table shows. In North Sydney 100% of NfP providers are rated as either Meeting or Exceeding NQS and 80% of private providers are rated as either Meeting or Exceeding NQS.

Table 9. Quality rating by ownership

	Exceeding NQS	Meeting NQS	Working Towards NQS
private – North Sydney Council area	38%	42%	19%
private - Australia	18%	63%	19%
NfP North Sydney Council area	60%	40%	0%
NfP community managed - Australia	42%	46%	12%

Source: ACECQA Registers – April and May 2021 and Australian Children's Education and Care Quality Authority (2021), *NQF Snapshot Q1 2021*, p. 17

Waiting lists and vacancies

Long day care

Only two of the 31 long day care services did not have waiting lists, and waiting lists were mostly for babies. Length of lists and time on lists varies with one service reporting at least an 18 month wait for baby places to others saying lists were manageable as children moved in and out of a centre.

¹⁶ Australian Children's Education and Care Quality Authority (2021), *NQF Snapshot Q1 2021*, p. 16

Long day care vacancies varied from odd days in the week to two services (those that did not have waiting lists) with vacancies on all days for all age groups.

Outside school hours care

Only one of the 20 OSHC services had a waiting list and this was for vacation care. All had vacancies. Some of these vacancies are related to the impact of COVID-19 with services rebuilding child attendance.

It is difficult to determine whether OSHC vacancies will continue into the future.

Gowrie NSW operates two vacation care programs for Council from North Sydney Community Centre and Grandstand. Both of these services reported decreases in utilisation throughout 2020, with numbers fluctuating with average child attendance of 42 in Jan 2020 to 21 in Dec 2020 of 80 available places at North Sydney Community Centre; and 27 across most vacation care periods in 2020 of 45 available places at Grandstand.

It will be important for North Sydney Council to monitor the utilisation of its vacation care program now and into the future to ensure sustainability and viability. If utilisation does not improve Council may need to consider operating vacation care from one campus only.

Preschool

All seven preschools had long waiting lists, including demand in 2022, with no or limited vacancies on odd days.

Family day care and occasional care

Family day care has a short waiting list consisting mostly of babies aged less than 12 months. Family day care also has some vacancies.

Occasional care has no waiting list and has vacancies on all days for all age groups.

Impact of COVID-19 on services

Most children's services were impacted by COVID-19. Those services that experienced little or no impact reported that while their child and staff numbers remained stable, no new families started attending during the pandemic.

Most commented that they had families either cease attendance or reduce days. One service lost 20 families as some were students who no longer required care as they were not attending campus or could no longer afford care (prior to the Federal Government's free Child Care Relief Package).

Some long day care centres reported that some families had reduced days to take advantage of the NSW Government's free preschool package¹⁷, with children attending two or three days at long day care and the remainder at a currently free preschool.

Many experienced declines, and some significant declines, in revenue due to:

¹⁷ <https://education.nsw.gov.au/early-childhood-education/operating-an-early-childhood-education-service/grants-and-funded-programs/covid-19>, accessed 5 May 2021

- child numbers decreasing despite free child care with families working from home or no longer having work
- some staff, for example those on 428 temporary skills shortages visas, not being eligible for JobKeeper, and continuing to employ these staff
- the Child Care Relief Package did not cover all operating costs for some providers, who opted to absorb these losses
- one centre reported children attending for longer hours per day once free child care commenced, this resulted in needing to increase staff across the day to meet mandatory child:staff ratios

In contrast, family day care had an increase during the free child care period from 134 children per week to 172 children per week. Perhaps families had more confidence in a smaller setting with less risk of cross infection.

Some centres reduced staffing to an absolute minimum, retaining a core of permanent staff, with all regular casuals no longer being required. Many of these casual staff are no longer available for work.

Families did not go on waiting lists due to the uncertainty of COVID-19. Families are now applying for care in the future and waiting list numbers are increasing again.

Business as usual commenced for many services from September 2020, although some services are still below pre-COVID-19 levels of utilisation.

Summary

In April/May 2021 there were 52 providers with 62 services with 3,713 total approved places for children aged from birth to 12 years in the LGA. The largest numbers of services and approved places were located in North Sydney and Crows Nest – St Leonards.

Most long day care centres had waiting lists, mostly for babies, and had limited vacancies, except two (of 31) with no waiting list and vacancies on all days and for all age groups.

OSHC mostly had no waiting lists and vacancies on all days.

Preschools had very long waiting lists and no/limited vacancies.

Family day care has a waiting list and some vacancies.

Occasional care has no waiting list and has vacancies on all days for all age groups.

Most children's services were impacted by COVID-19. These impacts ranged from a few services reporting that while their child and staff numbers remained stable, no new families started attending during the pandemic; to significant impacts including:

- child numbers decreasing despite free child care with families working from home or no longer having work
- some staff, for example those on 428 temporary skills shortages visas, not being eligible for JobKeeper, and continuing to employ these staff
- the Child Care Relief Package did not cover all operating costs for some providers, who opted to absorb these losses

- one centre reported children attending for longer hours per day once free child care commenced, this resulted in needing to increase staff across the day to meet mandatory child:staff ratios

Family day care experienced an increase in child attendance during the free child care period.

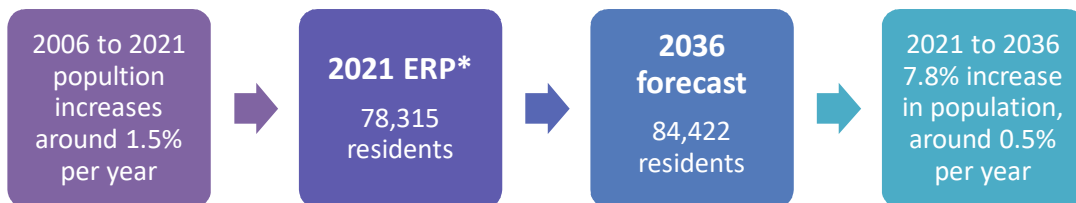
Business as usual commenced for many services from September 2020, although some services are still below pre-COVID-19 levels of utilisation.

4. North Sydney local government area current and future population

This section reports on current and future population in the North Sydney local government area overall and by suburb; and child vulnerability reported by the Australian Early Development Census (AEDC).

More detail is provided in Appendix B this report.

Current and future population

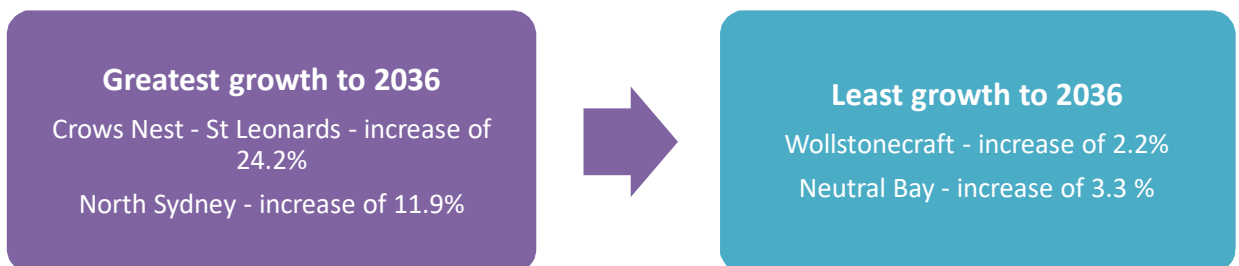


* ERP: Estimated Resident Population

Source: Population and household forecasts, 2016 to 2036, prepared by .id, November 2017

The North Sydney population will continue to grow to 2036 however the rate of growth will be slower than the previous 15 years.

All suburbs are expected to have increased population in the period 2021 to 2036 with the greatest growth occurring in Crows Nest – St Leonards and North Sydney and the least growth occurring in Wollstonecraft and Neutral Bay.



Population age groups

The overall population in North Sydney LGA will increase by a modest amount with the greatest growth occurring for residents aged 50 plus years. Babies and preschoolers and primary school age child populations and proportion of population will decrease slightly over the same period.

While the proportion of babies and pre-schoolers and primary schoolers will decrease over the LGA to 2036, there will be very small increases in population for:

- babies and pre-schoolers – Cammeray, Cremorne Point, Crows Nest – St Leonards, Kirribilli and Waverton
- primary schoolers – Cremorne Point, Crows Nest – St Leonards, Kirribilli and Waverton

Households with dependents

In line with the modest increase in population there will be a similar increase in households from 38,206 households in 2021 to 41,804 households in 2036. Households with dependents will comprise 22% of all households in both 2021 and 2036.

A combination of increased overall population and increased number of households including households with dependents indicates that there is likely to be a sustained demand for child care; however it is likely that this demand will not increase significantly for resident children.

Ancestry

In 2016 North Sydney LGA residents are a homogenous group – 56.48% of the population are of English and Australian ancestry. The next largest non-English-speaking group is those of Chinese ancestry comprising 8.8% of the population, followed by German (3.9%), Italian (3.4%) and Indian (2.9%)¹⁸. There has been very little variation in ancestry between the 2011 and 2016 Census.

Household income

North Sydney residents had higher household incomes compared with Greater Sydney. In 2016 more than one half (54.8%) of households in the North Sydney LGA had weekly incomes over \$2,500 compared with 39.4% of households in the Greater Sydney area.

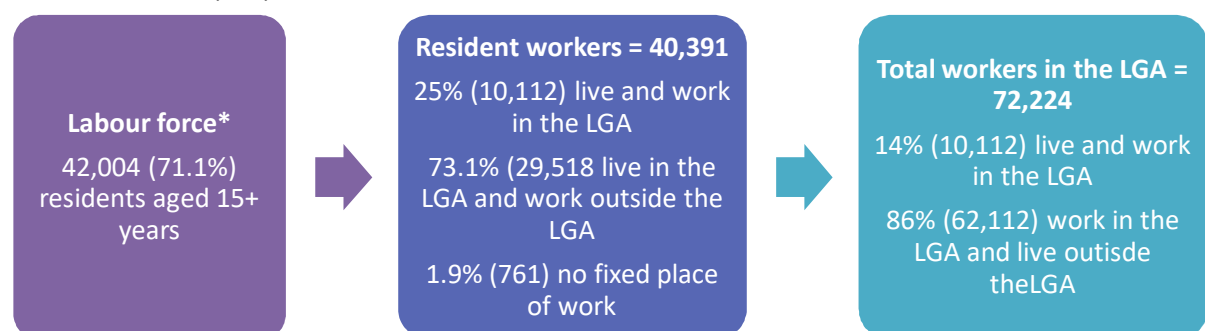
There was little variation in household income across suburbs in North Sydney LGA as the following table shows; however, almost one fifth (19.4%) of residents in Kirribilli are in the lowest household income quartile, followed by 13% of Cremorne residents. Kirribilli has larger amounts of social housing compared with other North Sydney LGA suburbs.

Lower income households may have less discretionary spent on items such as child care fees.

Workers

Residents in the North Sydney LGA have high levels of employment with 71.1% of the resident population employed in 2016 compared 61.6% in Greater Sydney¹⁹.

Table 10. North Sydney resident and non-resident workers



* Labour force includes residents who are in paid work and looking for work

Source: Australian Bureau of Statistics, Census of Population and Housing 2016. Compiled and presented by .id, the population experts

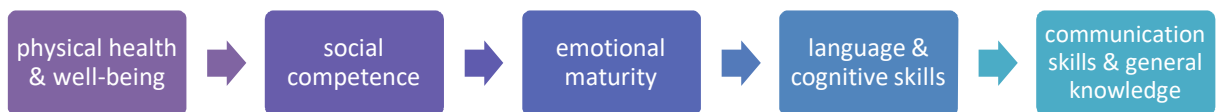
¹⁸ Australian Bureau of Statistics, Census of Population and Housing, 2011 and 2016. From .id

¹⁹ Australian Bureau of Statistics, Census of Population and Housing 2011 and 2016. From .id

Almost one third (30%) of resident workers drove to work. The next preferred transport was by train (21.8%) and bus (16.5%). North Sydney is a major public transport hub so it is expected that resident workers would have high use of public transport. The follow table shows resident workers usual transport to work.

Australian Early Developmental Census

The Australian Early Development Census (AEDC) is a nationwide triennial survey completed by teachers of children in their first year of school that measures developmental competency over five developmental domains that are rated from zero to 10, with zero being the lowest score. These domains are:

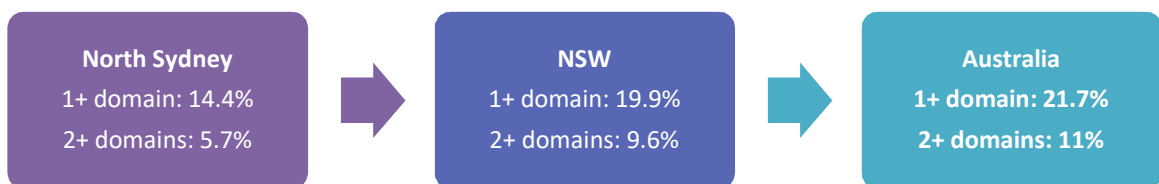


The domains are key predictors of effective learning, academic success, overall health and well-being in later years and are useful when considering gaps and opportunities for child and family well-being.

The more number of vulnerabilities a child has when starting school the greater the gap to catch up. Children in the top 75% are considered to be developmentally on track, those who score in the range of 10% to 25% are considered developmentally at risk and those in the lowest 10% are considered developmentally vulnerable²⁰.

North Sydney AEDC results

In 2018 children residing in the North Sydney area were developmentally better off than their NSW and wider Australian counterparts. One in 10 NSW children commenced school developmentally vulnerable in two or more domains compared with one in 20 children in North Sydney; and one in five NSW children commenced school developmentally vulnerable in one or more domains compared to one in seven children in North Sydney.



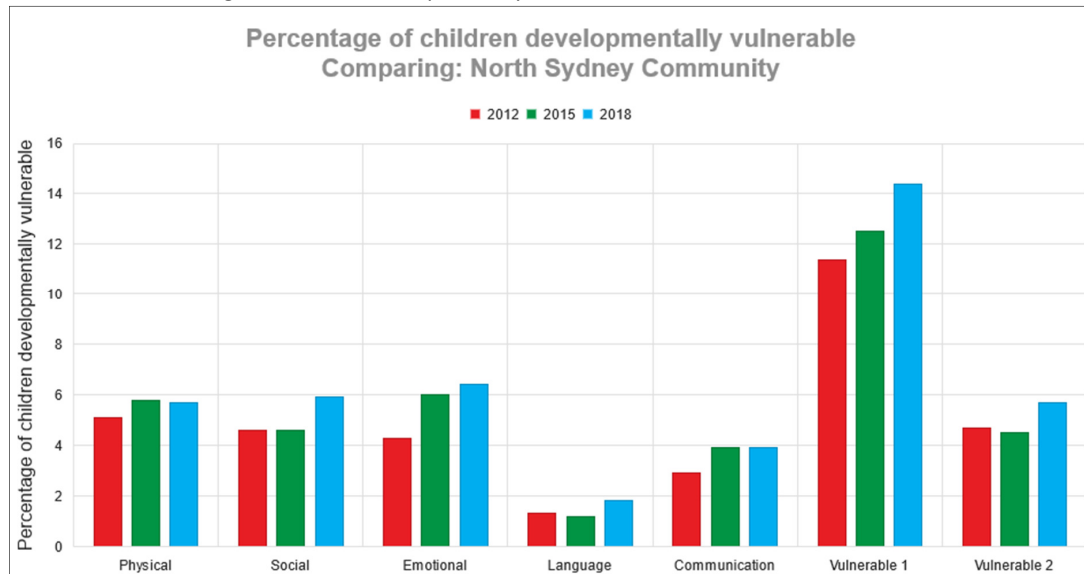
Source: <https://www.aedc.gov.au/early-childhood/findings-from-the-aedc>, accessed 23 March 2021, <https://www.aedc.gov.au/data/data-explorer?id=135204>, accessed 23 March 2021

While children in the North Sydney are developmentally better off than many of their counterparts, over the past three Census periods – 2012, 2015 and 2018 – the proportion of North Sydney children who are developmentally vulnerable has increased in all domains, with the largest increase in emotional maturity from 4.3% in 2012 to 6.4% in 2018 – an increase of 2.1% over this period. The proportion of North Sydney children who are developmentally vulnerable in one or more domains

²⁰ <https://www.aedc.gov.au/about-the-aedc/how-to-understand-the-aedc-results>, accessed 23 March 2021

has increased by 3% over the same period and in two or more domains by 1% as the following table shows.

Table 11. Percentage of children developmentally vulnerable from 2012 to 2018



Sources: Australian Early Developmental Census, <https://www.aedc.gov.au/data/data-explorer> (North Sydney), accessed 23 March 2021

In 2018 there are differences in developmental vulnerability in different North Sydney locations as the following table shows. The highlighted areas in the table show those locations with proportionally more developmentally vulnerable children than the average for all of the North Sydney community.

Table 12. North Sydney - percentage of children developmentally vulnerable in 2018

	Number of children	Physical health and wellbeing	Social competence	Emotional maturity	Language and cognitive skills (school-based)	Communication skills and general knowledge	Vulnerable on one or more domains	Vulnerable on two or more domains
Australia	308,953	9.6	9.8	8.4	6.6	8.2	21.7	11
New South Wales	98,020	8.5	9.2	6.8	5.2	8	19.9	9.6
North Sydney community	578	5.7	5.9	6.4	1.8	3.9	14.4	5.7
Local Community								
Cammeray	110	8.6	7.6	7.6	0	1.9	20	4.8
Cremorne/Cremorne Point	120	6	5.2	4.3	1.7	5.2	10.3	6
Crows Nest	52	1.9	5.8	7.7	1.9	0	11.5	5.8
Milsons Point/Kirribilli/McMahons Point	41	5	0	0	2.5	7.5	10	5

Neutral Bay	109	5.6	11.2	9.3	2.8	4.7	18.7	9.3
North Sydney	54	5.8	1.9	3.8	1.9	5.8	13.5	3.8
Waverton	21	4.8	4.8	4.8	4.8	0	4.8	4.8
Wollstonecraft	71	4.3	2.9	8.7	1.4	4.3	14.5	2.9

Source: Australian Early Developmental Census, <https://www.aedc.gov.au/data/data-explorer>, (North Sydney), accessed 23 March 2021

Cammeray and Neutral Bay children were developmentally more vulnerable in more domains and vulnerable in one or more domains than most of their North Sydney community counterparts. Anecdotally there are high concentrations of families from non-English speaking backgrounds residing in these areas. Could this be impacting on language and communication skills?

Summary

North Sydney Council LGA will experience around a 0.5% increase in population to 2036 with most of this growth occurring in a Crows Nest – St Leonards and North Sydney. The proportion of children aged from birth to 12 years will decrease slightly over this period. The proportion of households with dependents will remain steady at 22%.

North Sydney residents have higher household incomes than Greater Sydney and more are employed than in greater Sydney.

AEDC results show that children in the North Sydney are developmentally better off than many of their counterparts; however the proportion of North Sydney children who are developmentally vulnerable has increased in all domains, with the largest increase in emotional maturity. The proportion of North Sydney children who are developmentally vulnerable in one or more domains or two or more domains has also increased.

5. Current and future supply of education and care services

This section of the report considers whether the existing supply of children's services in North Sydney LGA meets the current and potential future child population demand for care to 2036.

Current supply of children's services

In April/May 2021 there were 3,713 total approved child places in the North Sydney local area.

Just under one quarter (23%) of all places for children aged from birth to 5 years are for children aged from birth to less than two years, one quarter (25%) for children aged two to less than three years and 53% for children aged three to five years not at school.

While many long day care centres and preschools reported strong occupancy, most OSHC services had vacancies across the week. Long day care centres and preschools had waiting lists, OSHC did not.

Future access to children's services

Population growth

The resident population in North Sydney will continue to grow to from 78,315 in 2021 to 84,422 in 2036. There will be a very small decrease in the number of resident children aged from birth to 12; however, these children will still comprise 5% of the resident population in 2036 as they do in 2021.

Workforce participation

North Sydney

More than two thirds of (71.1%, 42,004) of North Sydney residents are in the labour force. North Sydney is a major CBD with 72,224 workers in the LGA. The North Sydney workforce will increase from 86,923 in 2012 to 107,336 in 2036.

One quarter (25%, 10,112) of resident workers live and work in the LGA. These resident workers comprise only 14% (10,112) of the total workforce in the North Sydney LGA with the remaining 86%, 62,112) working in the LGA and living outside the LGA.

Women's workforce participation

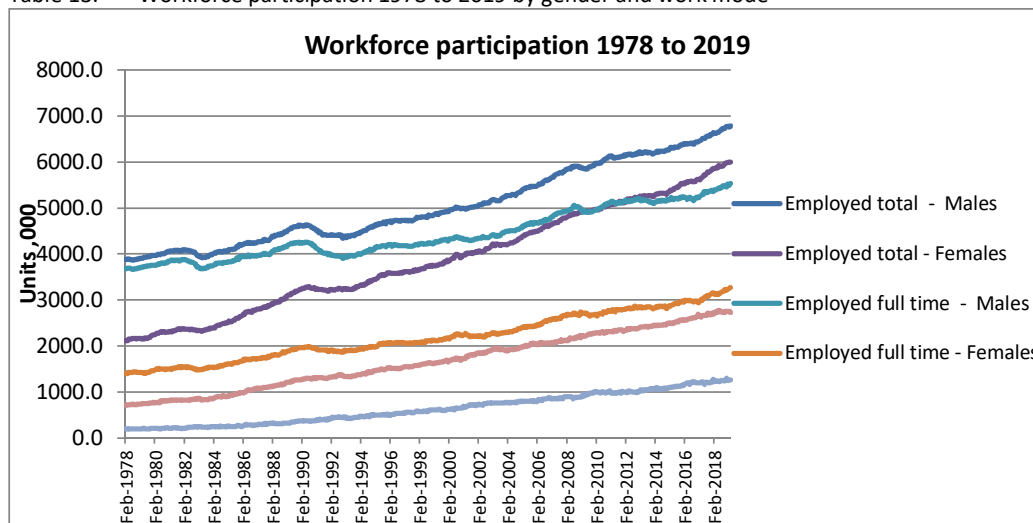
Access to good quality children's services is important for children providing them with foundational educational skills to be lifelong learners, workforce participants and good citizens. This access also enables the parents of these children to participate in the workforce too.

In the period 1978 to 2019 women's workforce participation in Australia increased almost threefold from 2,116,500 to 6,000,600; over the same period men's workforce participation has increased by about 40 per cent from 3,881,102 to 6,790,900²¹. More men work full-time, and women's full and part-time workforce participation has steadily increased over time.

²¹ Australian Bureau of Statistics (2019), *Labour Force, Australia*, Table 1. Labour force status by Sex, Australia - Seasonally adjusted and Original

The following chart shows workforce participation by gender from 1978 to 2019.

Table 13. Workforce participation 1978 to 2019 by gender and work mode



Source: Australian Bureau of Statistics (2019), *Labour Force, Australia*, Table 1. Labour force status by Sex, Australia - Seasonally adjusted and Original

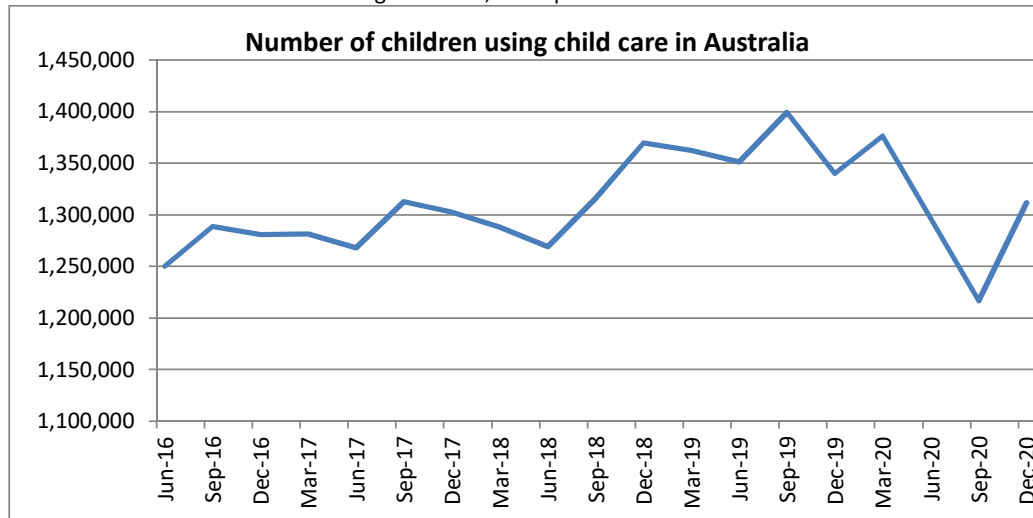
The number of women participating in the workforce will continue to increase at a faster rate than the number of men. The Department of Jobs and Small Business predicts that in the five-year period from 2018 to 2023 women's workforce participation will increase by 8.8 per cent; while men's workforce participation over the same period will only grow by 5.6 per cent²². As more women with children are participating in the paid workforce they are more likely to require access ongoing to children's services.

There are increasing numbers of children participating in child care

The numbers of children participating in formal child care has been steadily increasing from year to year in Australia, with the odd decline, and more significant declines during the height of the COVID outbreak in 2020. The following table shows the number of children using child care in Australia from June 2016 to December 2020. Please note there was no reporting for the quarter June 2020 due to COVID 19.

²² Department of Jobs and Small Business (2018), *Female Employment Projections 2018 Report*, p. 1

Table 14. Number of children using child care, June quarter 2016 to December 2020



Source: Department of Education and Training, Early Childhood and Child Care in Summary, Quarters June 2016 to June 2018; Child Care in Australia Report, quarters September 2018 to December 2020

Despite the COVID pandemic children's participation in child care is increasing again, heading towards the highest levels of 2019 use.

The NQS continues to improve the quality of education and care children receive in children's services. In 2013, soon after the commencement of the NQS, only 55.6% of services were rated as Meeting NQS or above; in March 2021 85% of services are rate as Meeting NQS or above²³. There may be some correlation between increased numbers of children participating in children's services as the overall quality of children's services improves. Quality in children's services will continue to improve as the NQS is built on a framework of continuous improvement.

Summary

The North Sydney resident population will continue to grow to 2036. In 2036 children aged from birth to 12 years will continue to comprise around 5% of the resident population.

As a major CBD the North Sydney workers population will continue to grow, and some of these workers will require access to children's services to support their workforce participation.

Anecdotal information from FAW employee surveys indicates that where available and affordable, families prefer child care close to work for babies and toddlers; providing a level of comfort for parents in the case of an accident or emergency. Families prefer older children to attend child care close to home so that children are meeting potential future school cohorts.

It is most likely that as quality continues to improve in children's services provision, and as more women enter the workforce, the number of children accessing children's services will continue to increase.

²³ Australian Children's Education and Care Quality Authority (2021), *NQF Snapshot Q1 2021*, p. 4; and (2013), *ACECQA Snapshot Q1 2013*, p. 6

6. Comparison with industry benchmarks and innovation

NSW local governments have had a long history in the provision of children's services. Local government involvement in direct children's services provision predominantly dates from the 1980/1990 and early 2000s when the Federal government provided capital grants to local governments to build children's services facilities on land that local governments owned. At this time some local governments such as Inner West Council decided to manage these facilities in-house; others, including North Sydney Council, contracted external experts to run these facilities; and some local governments such as the City of Sydney both directly managed and contracted out facilities.

Currently the growth of directly managed facilities by local government is very limited due to the significant capital expenditure required to build these facilities. Where growth has occurred this has mostly been funded through voluntary planning agreements (VPA).

This section of the report provides innovative examples of what two other local governments are doing to support children in their local area. It also provides two examples of innovative service delivery that North Sydney Council could consider should it have the opportunity to leverage VPAs for an innovative children's services campus in the future.

Vacation care targeted to younger teenagers

Ku-ring-gai Council operates in-house vacation care for children aged from 5 year at primary school to 14 years. This Council runs two separate programs:

- Kids Club catering for children aged 5 to 8 years
- Getaway Services catering for children aged 8 to 14 years

The same daily fee is charged at each service; however secondary school age children are not eligible for Child Care Subsidy.

The programs are developed to suit the ages of the children attending.

The older children's program is usually over-subscribed as there are very few activities for younger teenagers that cater for weeks of the school holidays.

Child Friendly Cities

Child Friendly Cities, commencing in 1996, is a United Nations initiative that aims to put children at the centre of a local government agenda. Local government is encouraged to consider its governance, services and environment in collaboration with children where children may be affected by local decisions.

Wollongong City Council began involving children in its decision making in 2006 in one area of Council business - playground development - as a way to understand, implement and measure successes of adopting Child Friendly Cities.

Early involvement with children as civic citizens engages children in their community and helps them understand their future role as voting adults who can influence outcomes in their community. Children start to understand how to engage with Council and their civic responsibilities; it helps

children understand and have an opportunity to inform and to be genuinely heard about what matters to them.

In 2012 Wollongong City Council consulted with 100 children and young people of varying ages from three to 25 years to inform the development of Council's Community Strategic Plan. Children were asked "what they most liked about living in Wollongong, what things worry them the most about living in Wollongong, what they could change to make Wollongong a better place to live, and if Wollongong was the very best place to live, what would it look and feel like"²⁴. Part of this consultative process included children in years four and five from different primary schools presenting to a resident community summit with 200 attendees about their issues, concerns and opportunities for their community. This resulted in the release of a child friendly Community Strategic Plan - *Wollongong 2022 ... Report to the Children & Young People of Wollongong* (2012) where each of the six community goals describe what children told Council, what needs to happen to achieve the outcomes, and how children and young people can help achieve these goals.

Wollongong City Council continues to use this approach today.

To date Council has consulted with 3,500 children about parks, playgrounds, skate parks and public art including 750 children aged from 2 to 5 years; and over 2,000 children about Council planning and policy such as town centre plans, libraries and strategic plans including 115 children aged from 2 to 5 years.

Consulting with children and young people is reflected in the corporate plan, performance reviews and key performance indicators in different council teams such as environment and recreation. There is an increasing skill set across different areas of Council about how to consult with children and young people.

Integrated children's services

Early childhood integrated child and family services are increasingly viewed as the optimum service delivery model to support children and families providing universal programs and targeted programs for children and families who may be experiencing vulnerability and disadvantage. Important elements of integrated children's services include:

- a one stop shop providing a seamless service to families with back of house services enabling this to occur
- a focal point for a community providing place based services that create connection, identity and a sense of belonging in that community
- responding to need with programs adapting and changing over time as child and family needs change
- providing intergenerational services as best practice
- bridge the gap between families and services by focusing on family strengths, building relationships with families, having no wrong door
- child safe practices

²⁴ Wollongong City Council (2012), *Wollongong 2022, Report to the Children & Young People of Wollongong*, p. 2.

- having culturally appropriate workforces

The Victorian Government has funded a number of early years hubs that are in purpose built facilities such as the Knox Children and Family Centre that provides

- “105 long day care places per day catering for children aged from birth to 5 years :
- 33 places per day for 4 year old sessional preschool
- A shared outdoor play space for the long day care and sessional preschool programs
- 1 playgroup room with an outdoor play space
- 2 Maternal Child Health offices
- 1 Allied Health consulting suite
- Kitchen and dining area for children
- Feeding room
- Pram storage
- Off street parking”²⁵

All of these hubs have been tendered to not-for-profit providers.

Intergenerational care

There is increasing interest in intergenerational care with more children and older people not having easy geographic access to grandparents/grandchildren.

There are some emerging Australian examples of children's services and aged care services working more closely together. In 2019 Griffith University reported on an [intergenerational care project](#) that was conducted across four sites either co-located child and residential care or where children and/or older people visited each other's facilities. Programs were tailored to each site and groups of participants.

Program outcomes for older people included:

- improved physical and mental health and well-being
- sense of fulfilment and purpose
- sharing knowledge and caring

Outcomes for children included:

- improved language skills
- enhanced confidence

Participating organisations reported enhanced client focus, building workforce skills and job satisfaction, and innovation.

The report indicated that the cost to implement these programs were not excessive with variations in cost due to model of delivery and number of session provided.

Some children's services have implemented informal visiting arrangements where groups of preschool children visit local residential aged care facilities on a regular basis, engaging in planned activities with the older residents such as arts, craft, music and movement.

²⁵ [Knox Children and Family Centre \(Bayswater\) Project 2016 - 2019 - Knox City Council](#), accessed 1 May 2021

Appendix A - List of all children's services leased or directly managed by North Sydney Council

Name	Type of Care	Address	Number of children (Current)	Maximum capacity
Family Day Care	Family day care – Council run	Private homes; co-ordination unit at Bank St North Sydney	156	25 Educators
Vacation Care	Long day care (Council contracts to Gowrie NSW)	North Sydney Community Centre and Grandstand Kindergarten	48*	125
Greenwood Child Care Centre	Long Day Care (KU)	Blue St North Sydney	27	27
Kelly's Place	Long Day Care (parent run)	Cnr of Hume and Oxley St Crows Nest	45	45
KidsNest	Occasional Day Care (parent run)	2 Ernest St Crows Nest	10+	10+
KU Cammeray	Preschool (KU)	Kendall community Centre Warwick Avenue Cammeray (Lower Level)	40+	40+
Cammeray Children's Centre	Long day Care (parent run)	Kendall community Centre Warwick Avenue Cammeray (Upper Level)	40+	40+
KU Grandstand	Preschool (KU)	Fig Lane, North Sydney	40	40
McMahons Point Community Preschool	Preschool (parent run)	165 Blues Point Rd McMahons Point	24	24
Montessori Preschool	Preschool (Montessori)	Montpellier St Neutral Bay	55	55
North Sydney Community Centre	After School Care (not for profit association run)	200 Miller St North Sydney	64	105

* as of Oct 2020

Source: North Sydney Council report of 2022 vacation care enrolment

Appendix B: North Sydney local government area current and future population

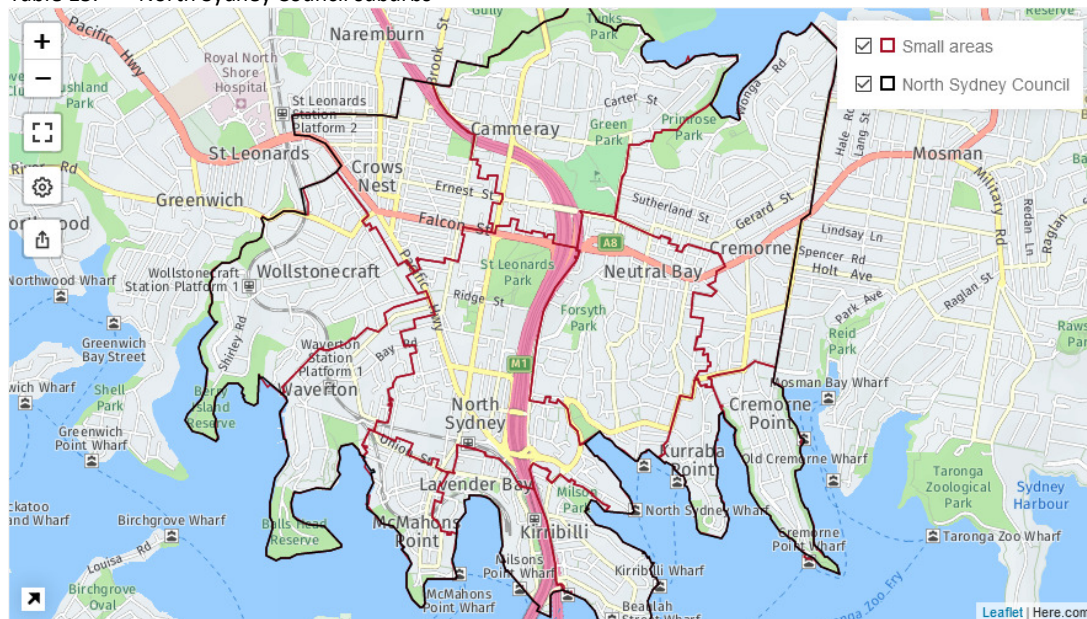
This appendix provides detail on the current and future population in the North Sydney local government area and the suburbs in the local area. It includes information on child vulnerability reported by the Australian Early Development Census (AEDC).

Suburbs in North Sydney are:

- Cammeray
- Cremorne
- Cremorne Point
- Crows Nest – St Leonards
- Kirribilli
- Kurraba Point
- McMahon's Point
- Milsons Point – Lavender Bay
- Neutral Bay
- North Sydney
- Waverton
- Wollstonecraft

The following map shows where these districts are located.

Table 15. North Sydney Council suburbs



Source: .id Community Profile Areas: North Sydney Council

Current and future population



* ERP: Estimated Resident Population

Source: Population and household forecasts, 2016 to 2036, prepared by .id, November 2017

While the population will continue to grow in the North Sydney area the rate of growth will slow over the next 15 years.

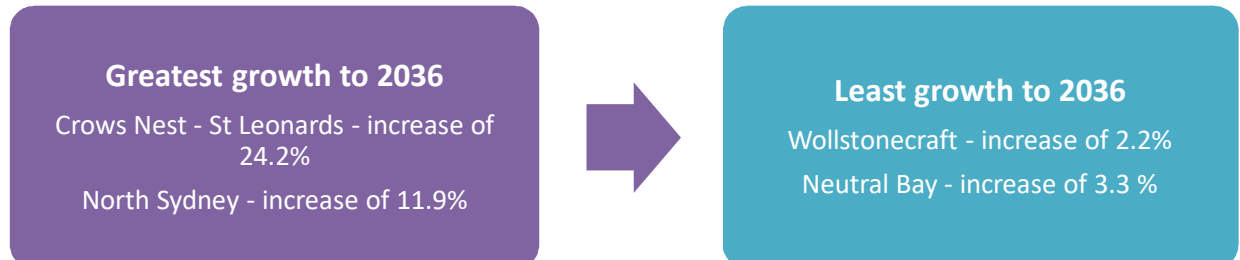
The following table shows the 2021 population for each suburb, the estimated population in 2036 and change in resident population.

Table 16. North Sydney Council suburbs current and future population

	2021	2036	change	per cent change
Cammeray	7,590	7,988	398	5.2%
Cremorne	12,822	13,454	632	4.9%
Cremorne Point	2,277	2,474	197	8.7%
Crows Nest - St Leonards	9,172	11,392	2220	24.2%
Kirribilli	4,173	4,328	155	3.7%
McMahons Point	2,544	2,644	100	3.9%
Milsons Point - Lavender Bay	4,068	4,417	349	8.6%
Neutral Bay	12,957	13,389	432	3.3%
North Sydney	10,387	11,622	187	11.9%
Waverton	3,223	3,410	202	5.8%
Wollstonecraft	9,102	9,304	6107	2.2%
LGA	78,315	84,422	6107	7.8%

Source: Population and household forecasts, 2016 to 2036, prepared by .id, November 2017

All suburbs are expected to have increased population in the period 2021 to 2036.



Population age groups

The overall population in North Sydney LGA will increase by a modest amount; the greatest growth will occur in those for residents aged 50 or more years with:

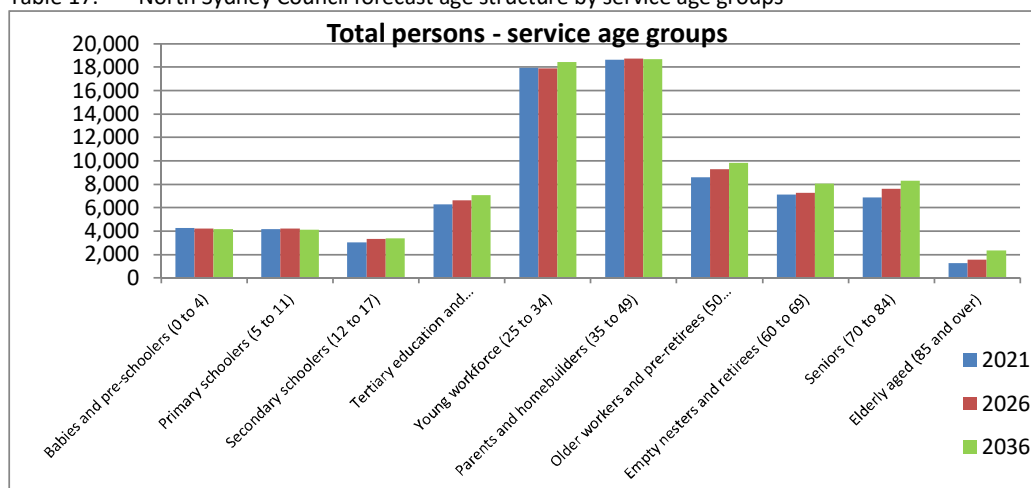
- older workers and pre-retirees (50 to 59 years) increasing from 11% of the population in 2021 to 11.6% of the population in 2036
- empty nesters and retirees (60 to 69 years) increasing from 9.11% of the population in 2021 to 9.6% of the population in 2036
- seniors (70 to 84 years) increasing from 8.8% of the population in 2021 to 9.8% of the population in 2036
- elderly aged (85+ years) increasing from 1.6% of the population in 2021 to 2.8% of the population in 2036

Babies and preschoolers and primary school age child populations and proportion of population will decrease over the same period.

- Babies and preschoolers (birth to years) decreasing from 5.5% (4,296) of the population in 2021 to 5.3% (4,195) of the population in 2036,
- Primary schoolers (5 to 11 years) decreasing from 5.3% (4,186) of the population in 2021 to 4.9% (4,117) of the population in 2036

The following table shows these changes in age group populations.

Table 17. North Sydney Council forecast age structure by service age groups



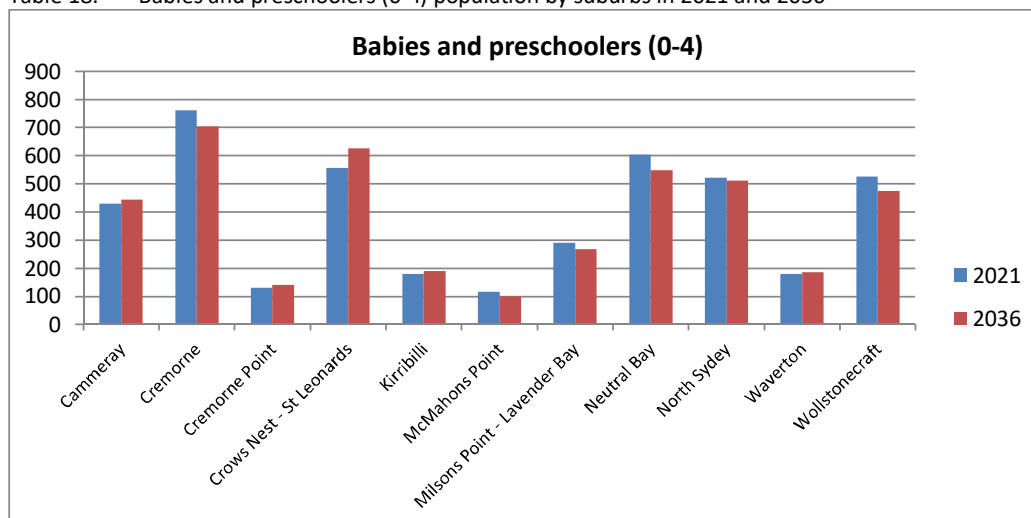
Source: Population and household forecasts, 2020 to 2036, prepared by .id, March 2018

While the proportion of babies and pre-schoolers and primary schoolers will decrease over the LGA to 2036, there will be very small increases in population for:

- babies and pre-schoolers – Cammeray, Cremorne Point, Crows Nest – St Leonards, Kirribilli and Waverton
- primary schoolers – Cremorne Point, Crows Nest – St Leonards, Kirribilli and Waverton

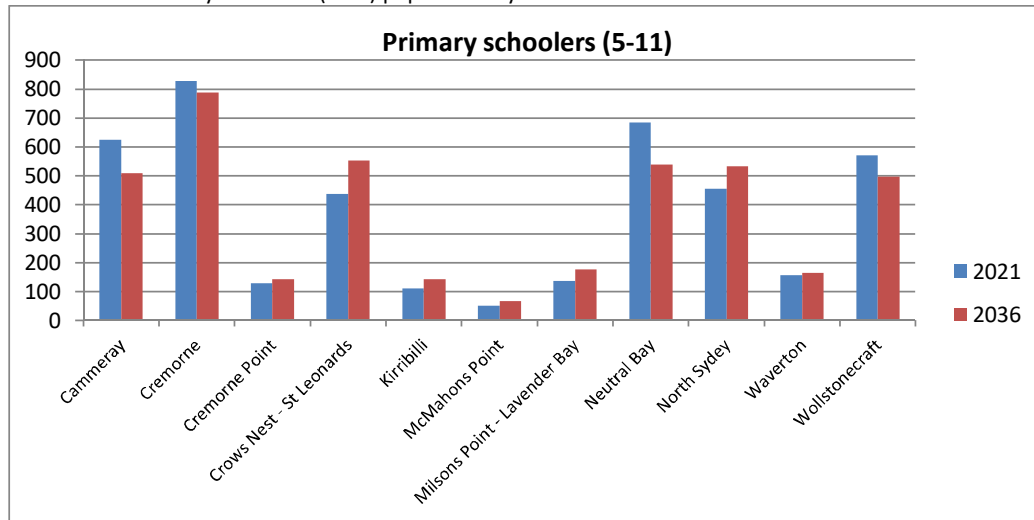
The following tables show these age group populations by suburbs.

Table 18. Babies and preschoolers (0-4) population by suburbs in 2021 and 2036



Source: Population and household forecasts, 2020 to 2036, prepared by .id, March 2018

Table 19. Primary schoolers (5-11) population by suburb in 2021 in 2036

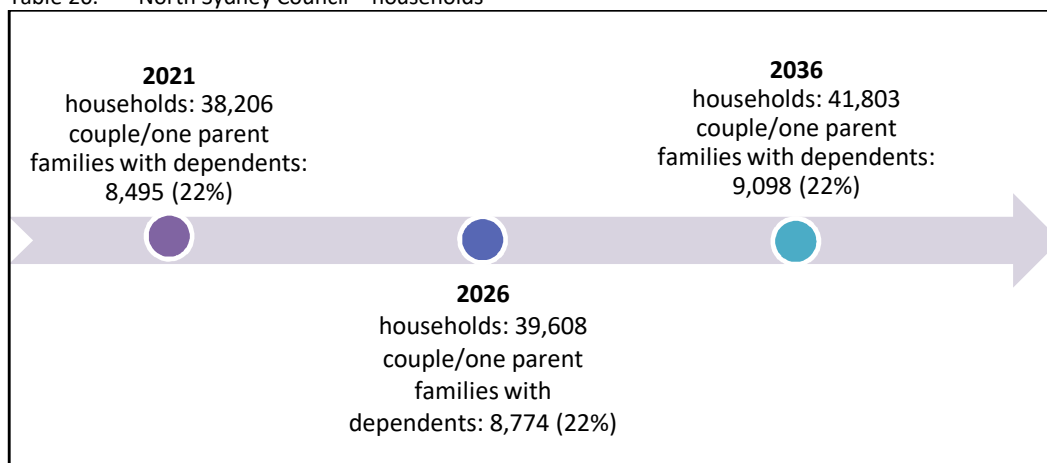


Source: Population and household forecasts, 2020 to 2036, prepared by .id, March 2018

Households with dependents

In line with the modest increase in population there will be a similar increase in households with dependents to 2036, however the proportion of households with dependents will remain the same as the following table shows.

Table 20. North Sydney Council – households



Source: Population and household forecasts, 2020 to 2036, prepared by .id, March 2018

A combination of increased population including children aged from birth to 4 years, and increased number of households including households with dependents indicates that there is likely to be a sustained demand for child care.

There will be ongoing demand for children’s services; however it is likely that this demand will not increase significantly for resident children.

Ancestry

In 2016 North Sydney LGA residents are a homogenous group with those of English (34%) and Australian (22.48%) ancestry comprising the largest population groups. The next largest non-English-

speaking group is those of Chinese ancestry comprising 8.8% of the population, followed by German (3.9%), Italian (3.4%) and Indian (2.9%)²⁶.

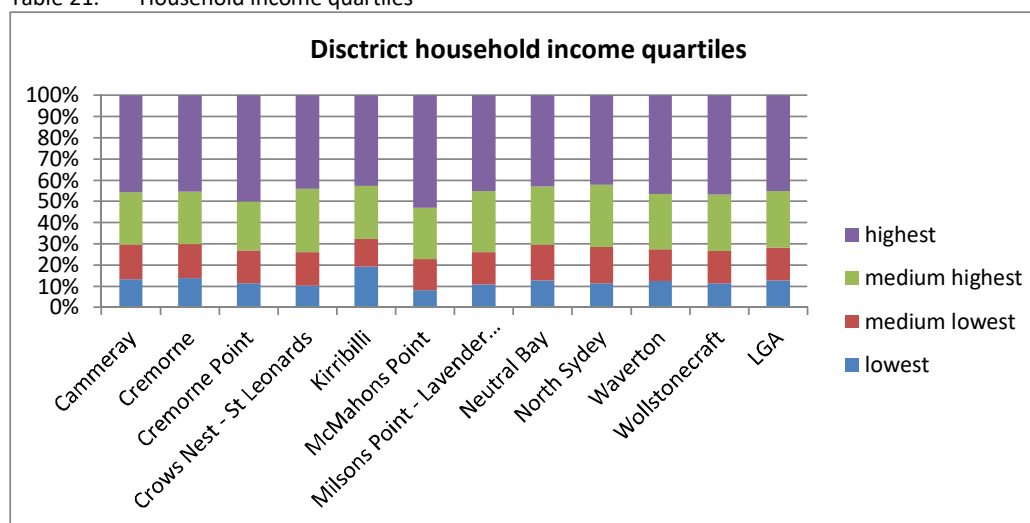
There has been very little variation in ancestry between the 2011 and 2016 Census.

Household income

In 2016 more than one half (54.8%) of households in the North Sydney LGA had weekly incomes over \$2,500 compared with 39.4% of households in the Greater Sydney area.

There was little variation in household income across suburbs in North Sydney LGA as the following table shows.

Table 21. Household income quartiles



Source: Australian Bureau of Statistics, Census of Population and Housing 2011 and 2016. Compiled and presented by .id, the population experts

Almost one fifth (19.4%) of residents in Kirribilli are in the lowest household income quartile, followed by 13% of Cremorne residents. Kirribilli has larger amounts of social housing compared with other North Sydney LGA suburbs.

Lower income households may have less discretionary spent on items such as child care fees.

Workers

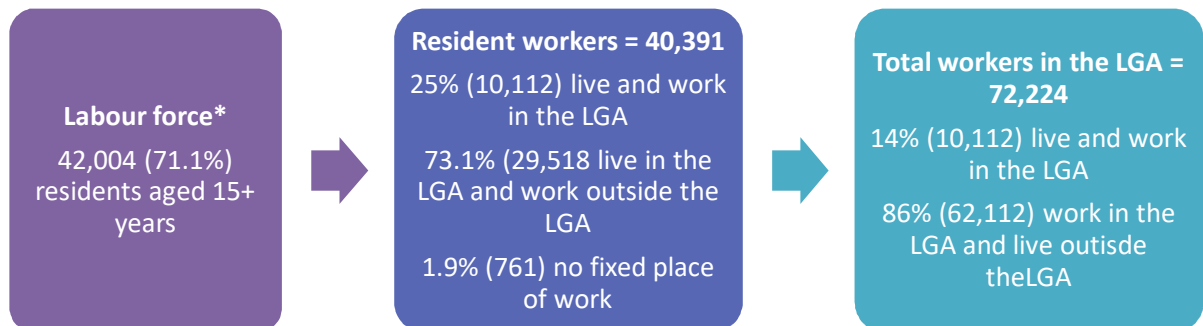
Residents in the North Sydney LGA have high levels of employment with 71.1% of the resident population employed in 2016 compared 61.6% in Greater Sydney²⁷.

One quarter (25%, 10,112) of resident workers live and work in the LGA. These resident workers comprise only 14% (10,112) of the total workforce in the North Sydney LGA with the remaining 86%, 62,112) work in the LGA and live outside the LGA as the following table shows.

²⁶ Australian Bureau of Statistics, Census of Population and Housing, 2011 and 2016. Compiled and presented in .id

²⁷ Australian Bureau of Statistics, Census of Population and Housing 2011 and 2016. Compiled and presented by .id

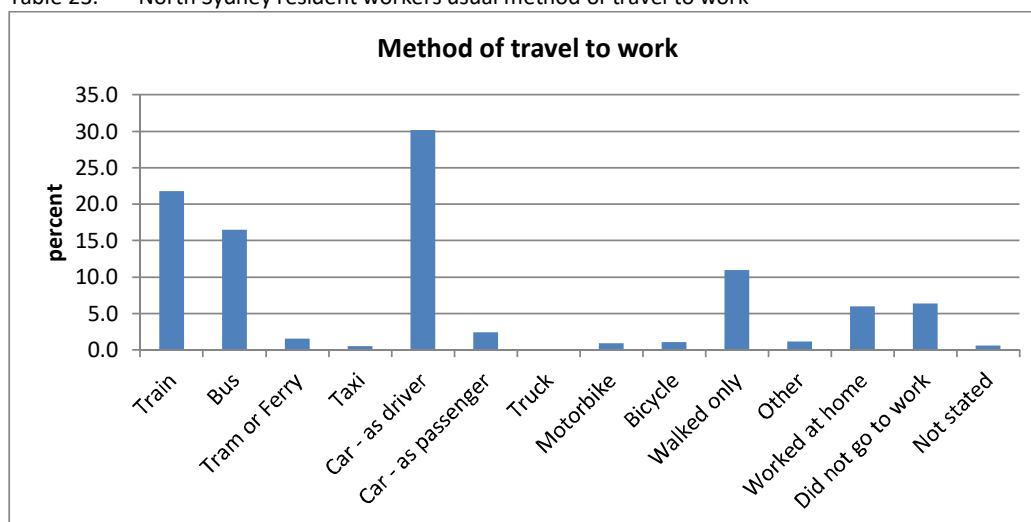
Table 22. North Sydney resident and non-resident workers



* Labour force includes residents who are in paid work and looking for work
Source: Australian Bureau of Statistics, Census of Population and Housing 2016. Compiled and presented by id, the population experts

Almost one third (30%) of resident workers drove to work. The next preferred transport was by train (21.8%) and bus (16.5%). North Sydney is a major public transport hub so it is expected that resident workers would have high use of public transport. The follow table shows resident workers usual transport to work.

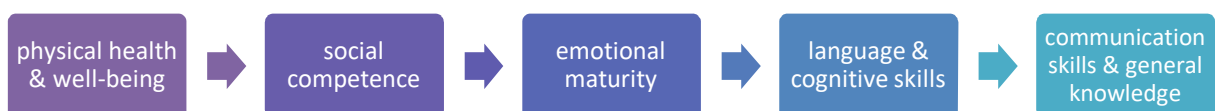
Table 23. North Sydney resident workers usual method of travel to work



Source: Australian Bureau of Statistics, Census of Population and Housing 2016. Compiled and presented by id, the population experts

Australian Early Developmental Census

The Australian Early Development Census (AEDC) is a nationwide triennial survey completed by teachers of children in their first year of school that measures developmental competency over five developmental domains that are rated from zero to 10, with zero being the lowest score. These domains are:

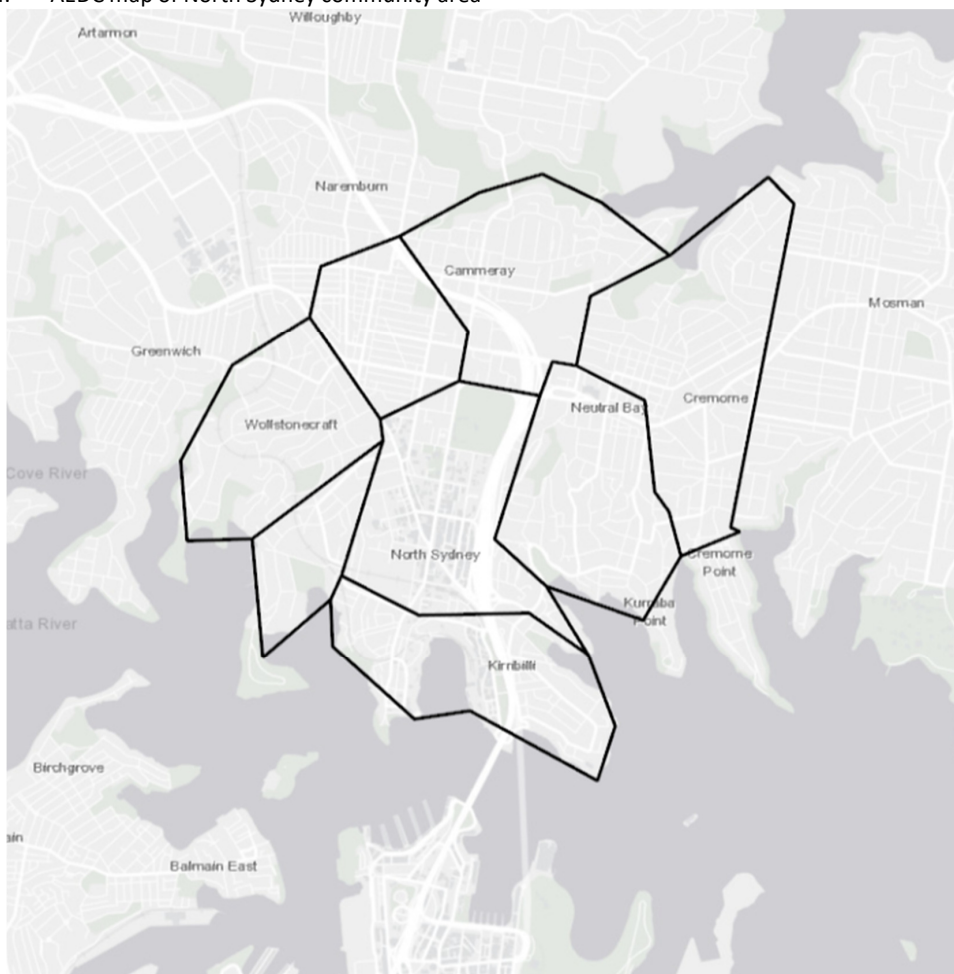


The domains are key predictors of effective learning, academic success, overall health and well-being in later years and are useful when considering gaps and opportunities for child and family well-being.

The more number of vulnerabilities a child has when starting school the greater the gap to attempt to catch up. Children in the top 75% are considered to be developmentally on track, those who score in the range of 10% to 25% are considered developmentally at risk and those in the lowest 10% are considered developmentally vulnerable²⁸.

The following map shows the community areas of reporting for North Sydney.

Table 24. AEDC map of North Sydney community area



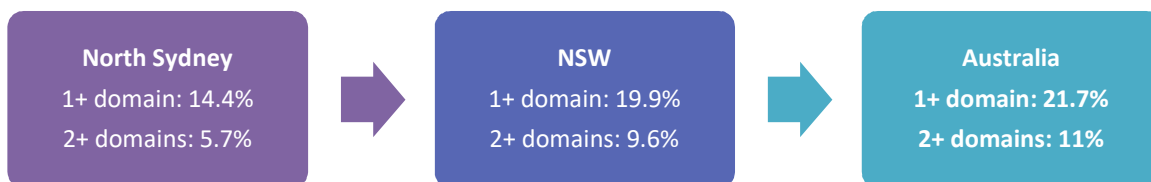
Source: <https://www.aedc.gov.au/data/data-explorer?id=135204>, accessed on 23 March 2021

North Sydney AEDC results

In 2018 children residing in the North Sydney area were developmentally better off than their NSW and wider Australian counterparts. One in 10 NSW children commenced school developmentally vulnerable in two or more domains compared with one in 20 children in North Sydney; and one in

²⁸ <https://www.aedc.gov.au/about-the-aedc/how-to-understand-the-aedc-results>, accessed 23 March 2021

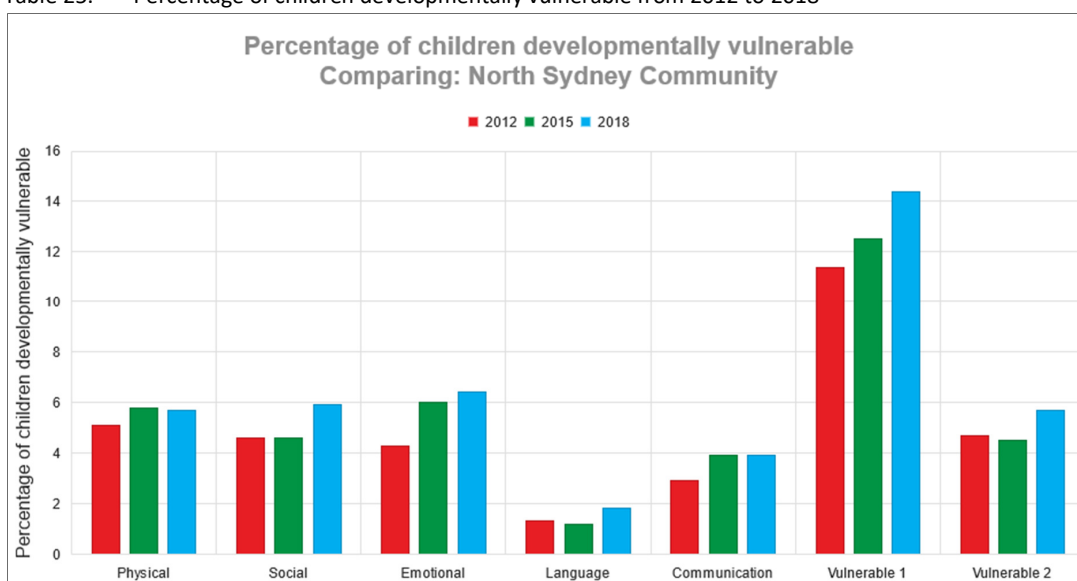
five NSW children commenced school developmentally vulnerable in one or more domains compared to one in seven children in North Sydney.



Source: <https://www.aedc.gov.au/early-childhood/findings-from-the-aedc>, accessed 23 March 2021, <https://www.aedc.gov.au/data/data-explorer?id=135204>, accessed 23 March 2021

While children in the North Sydney are developmentally better off than many of their counterparts, over the past three Census periods – 2012, 2015 and 2018 – the proportion of North Sydney children who are developmentally vulnerable has increased in all domains, with the largest increase in emotional maturity from 4.3% in 2012 to 6.4% in 2018 – an increase of 2.1% over this period. The proportion of North Sydney children who are developmentally vulnerable in one or more domains has increased by 3% over the same period and in two or more domains by 1% as the following table shows.

Table 25. Percentage of children developmentally vulnerable from 2012 to 2018



Sources: Australian Early Developmental Census, <https://www.aedc.gov.au/data/data-explorer> (North Sydney), accessed 23 March 2021

In 2018 there are differences in developmental vulnerability in different North Sydney locations as the following table shows. The highlighted areas in the table show those locations with proportionally more developmentally vulnerable children than the average for all of the North Sydney community.

Table 26. North Sydney - percentage of children developmentally vulnerable in 2018

	Number of children	Physical health and wellbeing	Social competence	Emotional maturity	Language and cognitive skills (school-based)	Communication skills and general knowledge	Vulnerable on one or more domains	Vulnerable on two or more domains
Australia	308,953	9.6	9.8	8.4	6.6	8.2	21.7	11
New South Wales	98,020	8.5	9.2	6.8	5.2	8	19.9	9.6
North Sydney community	578	5.7	5.9	6.4	1.8	3.9	14.4	5.7
Local Community								
Cammeray	110	8.6	7.6	7.6	0	1.9	20	4.8
Cremorne/Cremorne Point	120	6	5.2	4.3	1.7	5.2	10.3	6
Crows Nest	52	1.9	5.8	7.7	1.9	0	11.5	5.8
Milsons Point/Kirribilli/McMahons Point	41	5	0	0	2.5	7.5	10	5
Neutral Bay	109	5.6	11.2	9.3	2.8	4.7	18.7	9.3
North Sydney	54	5.8	1.9	3.8	1.9	5.8	13.5	3.8
Waverton	21	4.8	4.8	4.8	4.8	0	4.8	4.8
Wollstonecraft	71	4.3	2.9	8.7	1.4	4.3	14.5	2.9

Source: Australian Early Developmental Census, <https://www.aedc.gov.au/data/data-explorer>, (North Sydney), accessed 23 March 2021

Cammeray and Neutral Bay children were developmentally more vulnerable in more domains and vulnerable in one or more domains than most of their North Sydney community counterparts.