

ALL WARDS**13.1 PRESCHOOL SERVICE PLANNING PROJECT -REVISED SCOPE**

SUMMARY: Manager Family and Children’s Service - Janine Brown

This report seeks Council’s approval for a revised Year 4 Preschool Planning Scope following the recent release of the Victorian Government’s guidelines for organisations operating as Kindergarten Cluster Managers, now known as Early Years Management (EYM).

The proposed revised Scope includes additional matters for consideration and analysis which align with the EYM requirements and proposes to defer the Customer Focused Business Improvement (CFBI) component of the Scope in light of the increased EYM focus areas.

RECOMMENDATION

That Council:

- 1. Approves the proposed revised Year 4 Preschool Service Planning Scope (Appendix A & B) which takes into account the requirements for Council to implement the Early Years Management Framework (EYMF) by January 2018;**
- 2. Notes that the Director of Community Services has written to the Victorian Department of Education and Training to request an extension to the requirement to fully implement the EYMF until the commencement of 2019;**
- 3. Notes that the proposed Service Plan resulting from the Year 4 Preschool Service Planning project will outline in detail a proposed way forward in relation to implementing the EYMF, including the proposed resources required to plan, consult with relevant stakeholders and implement the EYMF;**
- 4. Refers to the 2017-18 budget process a proposal to increase the preschool fees for the 2018 calendar year to align with the Kindergarten Fee Subsidy and to support the resources required to implement the EYMF; and**
- 5. Notes that any further proposed changes to preschool fees will be considered in the analysis stage and subsequent recommendations to Council as part of the Year 4 Service Planning Project.**

13.1 Preschool Service Planning Project - Revised Scope (cont'd)

1. INTRODUCTION

Council endorsed the Year 4 Preschool Service Plan Scope in the August 2016 SPC meeting. In September 2016, the Victorian Government released its new policy framework for Kindergarten Cluster Management (KCM). KCM has been re-named as Early Years Management (EYM).

This report seeks Council's approval for a change to the previously approved Year 4 Preschool Service Planning Scope following the recent release of the Victorian Government's guidelines for EYM. The guidelines require considerable adjustment to the way Council currently administers its 31 sessional preschool service sites in addition to a strengthened role as a municipal planner for early years services.

As part of the Funding and Service Agreement with the Victorian Government, adjustments are required to be in place by January 2018. The current Year 4 Preschool Service Planning Scope already includes a number of elements relevant to the Early Years Management Framework (EYMF). The adjusted Scope includes additional matters for consideration and analysis, which more closely align with the EYMF requirements. It also includes a strengthened consultation process with Preschool Committees, staff, and other stakeholders and proposes to defer the Customer Focused Business Improvement (CFBI) component of the Scope in light of the increased EYMF focus areas.

2. DISCUSSION

2.1 Early Years Management Policy Framework

The Victorian Government has clearly articulated its strategic vision for high quality, integrated and sustainable early years services where EYM organisations are key players.

The EYM Policy Framework states that: *“the change from KCM to EYM is being introduced to acknowledge the important role KCM organisations already play in providing a range of early years services. EYM will continue to be a key platform for delivering quality, integrated and sustainable services for children and families in their communities. This broader approach aims to promote a long-term vision towards a more integrated and sustainable early childhood education and care (ECEC) system.”*

To achieve this vision, the Policy Framework seeks to:

- Reinforce the leadership role of EYM organisations in driving quality reform in the ECEC sector;
- Strengthen the focus on improved outcomes for all children, but particularly those experiencing vulnerability, through the EYM Outcomes and Performance Framework;

13.1 Preschool Service Planning Project - Revised Scope (cont'd)

Support EYM organisations to fulfil a broader role within the early years sector and deliver high quality, integrated, sustainable and viable early years services; and

- Clarify roles and responsibilities of different stakeholder groups in the provision of early years services.

Council's Preschool Service, and the work of the broader Family and Children's Services Department, positions Council strongly in relation to these outcomes. However, in order to meet the requirements of the EYM, the operational partnership Council has with Preschool Committees will require review and redesign. The attached revised Scope notes and incorporates the consideration and analysis required for Council to meet the EYMF requirements into the future (Appendix A and B).

The Year 4 Preschool Service Analysis will include analysis of alternatives for Council to consider in relation to it taking responsibility for these activities. It will involve financial modelling of each option so that Council can make an informed decision about a cost-effective and sustainable service model that does not compromise quality educational programs for children.

The EYMF also proposes to strengthen Council's role in relation to supporting funded preschool services across the municipality, which includes those services not directly delivered by Council as a service provider.

2.2 Preschool Services – Service Planning Project

As previously mentioned, the Scope has been revised to reflect the new policy context and at this point in time has assumed Council's intent to continue its role as a provider of funded preschool services across the municipality. The revised Service Planning Project has been designed to allow Council to systematically respond to the EYM Policy and other relevant documents; to provide time for engagement with Preschool Committees; and with a view to design changes to the preschool service that will be sustainable into the future.

The revised Scope also proposes that the CFBI Process is deferred in recognition that process redesign and improvements are an inherent requirement of this changed focus and therefore do not need to be treated separately as part of the revised Scope.

The Victorian Government has indicated it expects EYM organisations to comply with the requirements from January 2018. Discussions have been held with representatives of DET to highlight the challenges this implementation date presents to Council's Preschool Service and the Director of Community Services has written to DET to seek support for an extension to this timeline so that Council can fully comply with the EYM from January 2019.

13.1 Preschool Service Planning Project - Revised Scope (cont'd)

3. CONSULTATION

A timely and comprehensive engagement strategy is required to consult with and support Preschool Committees, staff and other relevant stakeholders through the Service Analysis stage of the Year 4 Preschool Service Planning project and subsequent changes that are required as a result of the implementation of the EYMF.

4. ENVIRONMENTAL/AMENITY ISSUES

Council currently delivers funded sessional preschool services across 31 service sites. Many funded preschool services are co-located with other early years services such as 3-year-old preschool, community playgroups, Maternal and Child Health Services. Whilst strict regulations mean that many of Council's early years facilities have been maintained in good condition, some are moving towards the end of their planned lifecycle and will require investment to continue to meet required standards.

Through custom and practice for over 30 years, Preschool Committees have played a crucial role in undertaking minor maintenance and maintaining the design and condition of playgrounds and equipment.

With the establishment of two early years hubs in Wantirna South and Bayswater and proposed EYMF changes to the administration model for facilities where some of Council's preschool services are delivered, there will be a need to undertake a more comprehensive and municipal-wide strategic facility planning process for all of Council's early years services which will guide Council's management of community infrastructure for early years services into the future. This infrastructure issue will be considered as part of the Service Plan Analysis.

5. FINANCIAL & ECONOMIC IMPLICATIONS

Council currently supports Preschool Committees to undertake day-to-day operational support to its preschool services through a grant collected as 'term fees' and distributed each term to Committees. The amount per Committee is based on the number of children who are enrolled at each preschool service. This grant varies but can range from \$800,000 to \$900,000 per year across Council's 31 preschool service locations.

Council receives per capita funding through its partnership with the State Government DET for eligible children enrolled in its funded preschool services; additional funding for those children eligible for Kindergarten Fee Subsidy and a separate funding grant for each preschool service location in the 'cluster', designed to support Council's role as an Early Years Management organisation.

13.1 Preschool Service Planning Project - Revised Scope (cont'd)

Resources to complete the original Scope and Analysis of the Year 4 Preschool Service Planning Project were allocated to the 2016-17 budget. However, with the change to the Scope to accommodate the introduction of the EYMF and the subsequent planning and implementation of the revised service model, additional resources will be required in the 2017-18 budget year for this expanded project. Preliminary analysis of the officer and project resources required for the 2017-18 budget period is in the order of \$180,000.

One possible way for Council to offset additional funds required to implement the EYMF in the short-term would be to consider an increase in its overall term fee in 2018 to families for the preschool service to more closely align its base fee structure to the Victorian Government's Kindergarten Fee Subsidy (KFS).

The Kindergarten Fee Subsidy is paid by DET to Council over and above the operational per capita grant in order to allow eligible families (such as those with a Health Care Card) to attend preschool at no cost. Council's current term fees for all families are nearly \$300 less than this subsidy.

An increase of this nature would affect families enrolled for the 2018 preschool year and not be charged to families attending preschool in the 2017 calendar year as fees for the 2017 preschool year are set in the 2016-17 budget year.

However, should Council increase its term fees in the 2017-18 budget year for families enrolled in the 2018 preschool calendar year to equal the KFS rate, the estimated additional income derived from 6 months in the latter part of the 2017-18 budget year of approximately \$187,000 (based on 1250 enrolments at the current KFS rate) could be utilised in the short-term to fund the project costs associated with planning and implementing the requirements of the EYMF. This change in fees would be included for consideration as part of the Draft Budget for 2017-18.

Should Council support this approach, any further proposed changes to fees and charges would be informed by the analysis and modelling that would be undertaken in 2017 as part of the Year 4 Service Planning Project.

Whilst the changed Scope will require additional resources to be allocated in the 2017-18-budget year, aligning these two projects will maximise the effective use of resources by potentially utilising a portion of the change in preschool fees in 2017-18.

6. SOCIAL IMPLICATIONS

The period from birth to eight is a crucial period of a child's life. It is the time when children acquire essential foundation skills and knowledge and when brain development is at its optimal level. Research has proven that access to high quality early years services (including funded preschool) in the years prior to school entry can significantly impact on the lifelong outcomes for all children and particularly those children who may be in vulnerable circumstances.

13.1 Preschool Service Planning Project - Revised Scope (cont'd)

Council has a unique capacity to provide high quality, integrated and coordinated services along with comprehensive levels of support to individual families who access its services. This provides a solid and effective foundation to support all families but in particular, to identify and support vulnerable and socially isolated families in a way that other loosely aligned services do not.

Council is also uniquely placed to undertake a municipal-wide planning and advocacy role to support positive outcomes for children in Knox.

7. RELEVANCE TO CITY PLAN 2013-17 (INCORPORATING THE COUNCIL PLAN)

The City Plan identifies the key directions and strategic initiatives to achieve Council's purpose of enhancing the quality of life of the Knox community.

The themes that are of particular relevance for children and families in Knox include: 'Healthy Connected Communities', and 'Culturally Rich and Active Communities and Democratic and Engaged Communities'. Knox City Council's MEYP "Off to a Flying Start" sits within a hierarchy of Council's strategic plans for the Knox community and directly relates to the outcomes described in *Knox Vision 'Our City, Our Future'*, *City Plan* and Council's Integrated City Strategy.

The Integrated City Strategy includes a key action to develop an Integrated Life Stages Plan that merges the Municipal Early Years Plan, the Knox Youth Strategic Plan and the Healthy Ageing Plan and promotes the benefits of intergenerational connections.

8. CONCLUSION

This report asks Council to consider a change to the previously approved Year 4 Preschool Service Planning Scope following the recent release of the Victorian Government's guidelines for organisations operating as Kindergarten Cluster Managers. Now described as the Early Years Management Framework (EYMF), the guidelines require considerable adjustment to the way Council currently administers its 31 sessional preschool service sites in addition to a strengthened role as a municipal planner for early years services.

The current Year 4 Preschool Service Planning Scope already includes a number of elements that would require redesign of operational service provision as a result of the EYMF. The adjusted Scope includes additional matters for consideration and analysis, which more closely align with the EYMF requirements. It also includes a strengthened consultation process with Preschool Committees, staff, and other stakeholders and proposes to defer the Customer Focused Business Improvement (CFBI) component of the Scope in light of the increased EYMF focus areas.

However, with the change to the Scope to accommodate the introduction of the EYMF and the subsequent planning and implementation of the revised service model, additional resources will be required in the 2017-18 budget year for this expanded project.

Appendix A

Service: Preschool Services

Director: Kerry Stubbings, Director Community Services

Manager: Janine Brown, Manager Family and Children's Services

SERVICE ASSESSMENT QUESTIONS

This Service Assessment will aim to answer the following key questions [in the context of the Victorian Government's 2016 Early Years Management Policy Framework and Kindergarten Operating Guidelines](#):

1. What should be the service model for this service?
2. What should be the service levels for this service?
- ~~3. How could this service be more effective and efficient?~~

In accordance with the Council Plan, all Service Analyses will consider planning, where relevant, for an ageing population; and providing a range of programs, services and partnerships which aim to build connections between people and reduce social isolation.

INTRODUCTION

Preschool is a term that commonly refers to an early childhood education and care (ECEC) service for three to five year old children in the year, or two years prior to starting primary school. The service models for preschool differ across Australia.

The core preschool service in Victoria provides all eligible four year-old children in the year prior to primary school with access to 15 hours per week of "funded kindergarten". This is a universally available service but attendance is not compulsory. Eligible three year-old children and those who have been assessed as eligible for a second year of preschool are also entitled to access "funded kindergarten".

Victoria's core preschool service is provided by a range of different organisations and in a variety of models, including the traditional model of sessional preschool as well as in long day ECEC services. Further information about funding and service delivery models in Victoria and in Knox, is available in Attachment A.

Knox City Council's "funded kindergarten services" are called preschool and are provided by the Family and Children's Services Department. Council is the **Approved Provider** (under the Education and Care Services National Act and Regulations), and the [Kindergarten Cluster Early Years Manager Management Organisation \(KCMEYM\)](#); as approved by the Victorian Department of Education and Training, [and previously known as](#)

[Kindergarten Cluster Management](#)) of these services. These are Council's main roles in relation to preschool provision in Knox.

Whilst Council has been a provider of preschool for over 30 years, in addition to its roles as [KCM-EYM](#) and Approved Provider, Council also supports and resources the provision of preschool across the municipality, including some preschool services delivered by other Approved Providers. An overview of these roles is available in Attachment B, and is also described in the following section – 'Current Service Model'.

Local governments in Victoria are a major owner of infrastructure used to deliver preschool services and also play a role in the delivery, coordination and strategic planning for early childhood services, including preschool. The Municipal Association of Victoria (MAV) and the Victorian Department of Education and Training (DET) have a formal partnership that commits both parties (and therefore Victorian local governments) to a collaborative and cooperative approach to the planning and delivery of early childhood services.

Available data indicates that:

- All 79 Victorian Local Governments own facilities from which early years services operate, and 43 of these Local Governments are the Approved Providers of the early years services in these facilities.
 - The remaining 36 Victorian Local Governments own facilities where early years services operate, but they are not the Approved Provider of the services.
- 27 Victorian Local Governments are [Kindergarten Cluster Managers Early Years Management Organisations](#) (and therefore also Approved Providers of preschool).
- 16 Victorian Local Governments are Approved Providers of preschool services (but are not [Kindergarten Cluster Managers Early Years Management Organisations](#)).
- 50 Victorian Local Governments provide a Central Enrolment Service in their municipality, but the early years services included in the Central Enrolment Service varies between municipalities.

[Early Years Management Policy Framework and Early Years Management Kindergarten Operating Guidelines \(Victorian Department of Education and Training\)](#)

[The Policy and Guidelines were released in July 2016 and clearly outline the Victorian Government's strategic direction and operational requirements for "funded kindergartens" into the future. Kindergarten Cluster Management \(KCM\) organisations are now referred to as Early Years Management \(EYM\) organisations in recognition that many of these organisations provide a range of early years services in addition to "funded kindergarten". The Policy also outlines the long-term vision for a more integrated and sustainable ECEC system that helps to improve outcomes for children and their families.](#)

[As an EYM organisation, Council will need to meet the requirements of the Policy, Guidelines and associated 2016 Kindergarten Funding Guide for its preschool services. This will have implications for the current partnership Council has with preschool committees operating as Incorporated Associations where preschool committees undertake activities to support the day-to-day operation of the preschool service. The EYM Policy requires the Approved Provider \(which is Council\) to undertake all activities required to operate the preschool service. This is explained further in the Service Assessment section.](#)

CURRENT SERVICE MODEL

Preschool Service Snapshot

Since 2009, 15 hours per week of “funded kindergarten” has been jointly funded by the Victorian and Commonwealth Governments under National Partnership Agreements on Universal Access to Early Childhood Education. Under this Agreement, the Victorian Government grant subsidises ten hours, and the Commonwealth Government subsidises five hours of preschool for eligible children. This combined funding does not cover the full cost of providing preschool and Knox City Council’s preschool services are also funded from parent fees and a Council subsidy. [The current Agreement expires in December 2017.](#)

Preschool services in Victoria are regulated under the Education and Care Services National Law Act (2010) and Regulations (2011), and assessed against the National Quality Standard. The children’s educational program is guided by the Victorian Early Years Learning and Development Framework.

The service delivery environment is different now to when Council began providing preschool over 30 years ago, however, some of the most significant changes have occurred during the last decade as listed below:

- 2010:
 - Introduction of national legislation (Education and Care Services National Act and Regulations).
 - Introduction of the Victorian Early Years Learning and Development Framework.
 - Requirement for Council to develop and administer a Priority of Access Policy to ensure equitable allocation of children through its Central Enrolment Service to Council’s preschool services, and Council’s compliance with the Charter of Human Rights.
- 2012:
 - Introduction of assessment and accreditation under the National Quality Framework.
- 2013:
 - Introduction of Universal Access to Early Childhood Education (15 Hours of Preschool).
- 2015:
 - Increase in “funded kindergarten” programs being offered by long day ECEC services.
- 2016:
 - Changes to child:staff ratios for three to five year-old children from 1:15 to 1:11.
 - Introduction of the Victorian Child Safe Standards (and associated legislation), and the implications for Council’s partnership with preschool committees.
 - [Introduction of the Victorian Early Years Management Policy Framework and Kindergarten Operating Guidelines](#)

Service budget 2014/2015:		Further Information:
Income	(\$5,671,339)	<ul style="list-style-type: none"> • 1350 children attending 54 groups in 2014 calendar year • 1283 children attending 51 groups in 2015 calendar year • Child:staff ratio 1:15 no capped group sizes
Expenditure	\$5,876,618	
Net	\$205,279	
Service EFTs:	67.25 <u>Approximately:</u> <ul style="list-style-type: none"> • 8 Co-ordination Unit Staff • 115 Educators (Teachers and Assistants) 	

The income in 2014/15 includes \$5.3million in State/Commonwealth Government grants, and \$320,000 in parent fees. The State/Commonwealth Government grants include a per-capita grant for each child attending the service, as well as grant funding to support Council's role as an [Early Years Management Organisation](#).

The above EFT does not include early childhood teachers currently employed in Council's long day and occasional ECEC services.

In response to the introduction of changed child:staff ratios from the commencement of January 2016, Council resolved in February 2015 to cap group sizes to 22 children and only increase group sizes where significant demand and licensed floor space permitted group sizes of 30 children or more. This reduced the need for Council to employ an additional staff member in every group size over 22 children but also increased the number of groups across the service. The subsequent budgets for the 2015/16 and 2016/17 reflect this model of additional groups (and thus some additional staff) as well as employment conditions for educators under the Early Education Employees Agreement 2016.

Service budget 2015/2016:		Further Information:
Income	(\$5,383,583)	<ul style="list-style-type: none"> • 1283 children attending 51 groups in 2015 calendar year • 1250 children attending 58 groups in 2016 calendar year • Child:staff ratio 1:11 and group sizes capped at 22
Expenditure	\$6,075,560	
Net	\$691,977	
Service EFTs:	71.46 <u>Approximately:</u> <ul style="list-style-type: none"> • 10 Co-ordination Unit Staff • 130 Educators (Teachers and Assistants) 	

Proposed budget 2016/2017: Income Expenditure Net	(\$5,625,789) \$6,567,902 \$942,113	Further Information: <ul style="list-style-type: none"> • 1250 children attending 58 groups in 2016 calendar year • Number of enrolments and group sizes still to be determined for 2017 calendar preschool year.
Service EFTs:	75.46 <u>Approximately:</u> <ul style="list-style-type: none"> • 10 Co-ordination Unit Staff • 134 Educators (Teachers and Assistants) 	

The State Government is currently making adjustments to the subsidies they provide Knox City Council in recognition of the change to child:staff ratios and the recently approved Early Education Employees Award.

Service Provider

Council's main role is in the direct provision of preschool as an Approved Provider under the Education and Care Services National Act and Regulations and as an [KCMEYM](#). [KCMs-EYMs](#) are funded by the State Government to manage clusters of preschool services in a municipality or across the state. [KCMs-EYMs](#) are required to adhere to [the recently released EYM Policy Framework and Kindergarten Operating Guidelines, as well as the DET's Kindergarten Funding Guide](#), which includes State Government targets and priorities, for example, strategically planning for and driving the implementation of major policy reforms such as Universal Access to 15 Hours of Preschool and the National Quality Framework.

As an [KCMEYM](#), Council is required to be an Approved Provider and is also required to be the employer of staff in the preschool service. Council could be an Approved Provider without being an [KCMEYM](#), but as an Approved Provider, would still be required to be the employer of staff in the preschool service.

Traditionally, Council has provided sessional preschool services, where children attend a service for 15 hours per week during school terms. In the 2016 calendar year, there are 58 sessional preschool groups operating from 30 Council-operated preschool centres. More recently, funded preschool programs were also introduced in Council's five long day ECEC services in response to the requirement under the National Quality Framework to employ degree-qualified early childhood teachers, and operate as part of Council's [Kindergarten Cluster/cluster of preschools](#). This also provides children who are enrolled in these services with the opportunity to participate in a preschool program as part of the long day ECEC service.

Council is the largest provider of sessional preschool in the municipality. Council currently provides a central enrolment service for Council-operated sessional preschools and allocates children in accordance with Council's Funded Preschool Policy (2015). Each of Council's preschools (with the exception of Birch Street at Bayswater Primary School) has an incorporated volunteer preschool committee that supports the operation of the service through a range of activities outlined further in the 'Service Assessment' section under 'Service Model'.

Council collects *preschool term fees* from parents which are then provided as a grant to preschool committees in instalments each term. The grant is determined by the number of children enrolled each term – a formula that provides committees of preschools with higher enrolments with larger grants, and can result in some funds being carried over by committees from year to year as surplus funds. Preschools in more vulnerable areas of the municipality often have lower enrolments, and these communities may also have lower levels of capacity to fundraise for their local preschool. This can result in some preschool committees having fewer funds than other preschool committees to undertake the same activities.

An integrated service delivery model is used to delivery Council's early years services, including its preschool services. This means that staff working in Council's early years services, and in Council's early years facilities work together and work with parent committees and other key stakeholders (including local primary schools) so that children and families are better supported and improves learning and development outcomes for children.

Council's sessional preschool services (and not those operating in Council's long day ECEC services) which operate in Council's [Kindergarten Cluster](#)~~cluster of preschools~~ and under the Education and Care Services National Act and Regulations will be the focus of this service planning project.

Facility Owner

Council is the owner of 31 purpose-built facilities on Council land where sessional preschool services for four-year olds is provided. Council is the Approved Provider of the preschool service in 29 of these facilities. Council does not own the facility or the land where the Birch Street Preschool operates as the facility is part of Bayswater Primary School. However, Council is responsible for the maintenance of this facility, the preschool is operated as part of Council's Kindergarten Cluster, and Council is the Approved Provider of the preschool service.

Alchester Village is operated by an independent committee of management, and Colchester Park Preschool is operated by *bestchance* [Kindergarten Cluster](#)~~Early Years~~ Management who each hold a License Agreement with Council for the use of these facilities.

In addition to four-year old preschool, other early years services operate from most of these facilities, such as Maternal and Child Health and playgroups. Further detail is provided in Attachment 3.

As the majority of these facilities were constructed between 1960 and 1988, a facility plan will be required in the future that outlines how Council can manage and/or replace these ageing assets into the future to ensure the infrastructure is supporting the delivery of the service/s. A valuation of Council's facilities is scheduled for the end of the 2015/16 financial year and updated valuation information can be provided as part of the Service Analysis.

Non-Council Preschool Services

Council is one of a range of service providers offering preschool in the Knox municipality. In addition to Alchester Village and Colchester Park Preschools, there are three schools that provide “funded kindergarten” programs, and many long day ECEC services also offer a “funded kindergarten” program.

There are currently 17 three-year old preschools and activity groups, and three services for children deferring preschool operating across the municipality in 2016. 18 of these services operate from Council-owned facilities, including Council’s early years facilities, Coonara Community House and Rowville Community Centre.

Coordination and Strategic Planning

As the largest sessional preschool provider in the municipality, the majority of planning and coordination undertaken is for Council-operated services. In recent years, the introduction of 15 Hours of Preschool and other major policy initiatives have required Council’s Family and Children’s Services Department to lead municipal-wide planning activities and provide support to all preschool providers in Knox. This has included the collection and reporting of municipal-wide data on behalf of the State Government to support the introduction of 15 Hours of Preschool across both Council and non-Council preschool services. [However, this component of Council’s role is less developed than its role as a direct service provider, however, the Victorian Government has reinforced the expectations it has of local government to undertake these types of activities through the Early Years Management Policy Framework.](#)

SERVICE ASSESSMENT

Role of Council

As noted in the ‘Current Service Model’ above, Council’s main role in relation to four-year old preschool is as an [Kindergarten Cluster Manager](#) [Early Years Management Organisation](#) and Approved Provider.

As the Approved Provider, an [Kindergarten Cluster Manager](#) [EYM](#), and employer, Council is responsible for:

- Employment and supervision of, and professional development for preschool staff;
- Meeting all legislative and quality requirements under the Education and Care Services National Act and Regulations and National Quality Framework;
- Meeting requirements of the [EYM Policy Framework and EYM Kindergarten Operating Guidelines, and the](#) Funding and Service Agreement with the Victorian Government;
- Maintaining and renewing Council’s preschool facilities;
- Actively supporting the engagement and participation of vulnerable children in preschool programs; and
- Strategically planning for and driving of major policy reforms (such as the National Quality Framework).

Volunteer preschool committees play a key role in supporting the delivery of Council’s preschool programs, [however the activities that committees are involved in will need to](#)

[change under the EYM Policy](#). This is discussed in further detail in ‘Service Model’ section of this Scope.

Although preschool in Victoria is considered a universal service that provides all eligible children with access to a funded place, attendance is not compulsory. However, with the increase in funded preschool places being provided in “market-driven” long day ECEC services, the Service Analysis will investigate the relevance of the National Competition Policy to Council’s preschool services. This will include an analysis of a number of scenarios, including working towards cost neutrality.

An analysis of Council’s roles as an Approved Provider and [Kindergarten Cluster Manager EYM](#) will not form part of the Service Analysis as the focus will be on the [service model and levels in regards to changes required to Council’s partnership with preschool committees in order to meet the requirements of the EYM Policy;](#) ~~and efficiency through the Customer Focused Business Improvement program.~~

Strategic Intent

As outlined in the Municipal Early Years Plan, Council’s strategic intent for children and families is that:

- **Knox Children:** are enjoying a happy, safe childhood where they are loved, supported and nurtured. They are engaged towards optimal health, wellbeing and are active participants in their own learning, development and community;
- **Childhood in Knox:** is an important and recognised stage of life, where children play and example and are part of neighbourhoods, as their learning is supported by their family, friends and wider community;
- **Knox Families:** are richly diverse, and their role as their child’s first and most important teacher is acknowledged and valued. They are supported, encouraged, connected, informed and empowered to be nurturing, confident and thriving families.

In addition to the direct provision of four-year old preschool, Council supports preschool in the following ways.

Council supports the participation of three-year old children who may be experiencing vulnerability in its preschool programs through two State-funded initiatives:

- Early Start Kindergarten, and
- Access to Early Learning.

Council supports non-Council preschool providers (of both three and four-year old preschool services) through:

- Providing access to Council’s purpose-built early years facilities at peppercorn rent, or by waiving the license fee; and
- Supporting preschool committees through Council’s Early Years Facility and Committee Liaison Officers and facilitating an annual committee training program.

Council resolved in April 2010 to provide priority access to Council’s licensed early years playrooms to funded four-year old preschool services.

An analysis of Council's strategic intent and the ways in which Council supports preschool across the Knox municipality as a service provider and facility owner will not form part of the Service Analysis as the focus will be on the [changes required to Council's partnership with preschool committees in order to meet the requirements of the EYM Policy, service model and levels in regards to Council's partnership with preschool committees; and efficiency through the Customer Focused Business Improvement program.](#)

Future service reviews may focus on Council's strategic intent and role in supporting and delivering preschool services across the municipality. Any future reviews will be undertaken within the current service delivery, legislative and funding context to ensure the analysis is contemporary and up to date.

Service Model

Volunteer preschool committees support the day-to-day operation of Council's preschool services [using a combination of volunteer hours, funding through an operational grant from the fees collected by Council, and fundraising monies.](#) Currently, Council requires these committees to be Incorporated Associations, and Committees take responsibility for a range of activities including:

- Minor facility maintenance, including working bees;
- Playground maintenance, development and renewal;
- Purchasing of equipment, consumables and resources for the preschool program;
- Oversee and manage contracts for cleaners and gardeners; and
- Some administrative tasks.

A particularly valued outcome of parent participation through committees is the sense of community that is fostered, and the contributions made to their local community/preschool facility.

Preschool term fees are set by Council following consideration of the fee proposal put forward by the Combined Preschool Committees Working Party. As outlined above, these fees are collected by Council and are paid directly to committees as an operational grant to assist with day to day preschool service expenses. Committees may also undertake fundraising activities. However, the combination of the formula used to calculate the grant and the varied capacity of some local communities to fundraise, results in some preschool committees having fewer funds to support the preschool. Initial analysis has identified this is an inequitable approach that potentially disadvantages children attending preschools with lower enrolments.

The partnership and funding arrangements that Council has with volunteer preschool committees [has not been reviewed within the context of the significant changes outlined above in 'Role of Council' will need to be reviewed in order for Council to meet its obligations as an EYM.](#)

Key Areas for investigation for this Service Analysis will include:

- [Modelling and analysis of any financial impact to Council to undertake all activities required by the EYM Policy, including activities that preschool committees currently take responsibility for. This will also include an analysis of any adjustment to preschool fees that is required for a more sustainable service and the design of](#)

efficient systems, processes and business practices that will support the sustainability of the Preschool Service into the future.

- Ongoing communication and engagement with staff, parents and preschool committees to support their understanding of the changes required by the EYM Policy. This will specifically include engagement with past and present members of preschool committees to design a model of future preschool committees that is meaningful and relevant to parents/family members of children attending the preschool service, and that retains community capacity building and building community connections as a key function of preschool committees.
- An assessment to determine if preschool committees will need to retain their status as an Incorporated Association and any requirements for insurance.
- ~~Whether Council's current approach to working with, and funding preschool committees ensures that each child who attends a Council-operated preschool has equitable access to a consistently high quality program;~~
- ~~Whether Council's current partnership arrangement with preschool committees allows Council to meet its obligations as the employer, Approved Provider, Kindergarten Cluster Manager; and in its role as municipal planner;~~
- ~~Whether Council's roles and responsibilities, and those of preschool committees are suitable within the context of the National Quality Framework and other key legislative and policy changes, or should they be reviewed with consideration to Council's legislative responsibilities, risk to Council, and resources available to support and monitor the partnership;~~
- ~~If as a result of this investigation, some roles and responsibilities change, how could the community capacity building and community connections be retained as a key function of preschool committees; and,~~
- ~~What would be an equitable funding/grant arrangement between Council and committees.~~

Service Levels

It is understood from available data that the majority of eligible children in Knox are enrolled in a funded preschool program.

In 2016, there are 1250 children enrolled in Council's sessional preschools across 58 groups in 30 centres. This is approximately 67% of all four-year olds in Knox and is a slight decrease from 1363 children enrolled in 2013. Eligible children not attending Council's sessional preschools are likely to be enrolled in non-Council sessional preschools or a funded preschool program offered in a long day ECEC service.

Due to changes to child:staff ratios that were introduced in January 2016, and following an analysis of options for a sustainable preschool service, Council resolved in February 2015 to cap the majority of groups sizes to 22 children and only increase group sizes where significant demand and licensed floor space allows.

Council currently offers 3 x 5 hour sessions or 2 x 7.5 hour sessions per week. This model appears to meet the community's needs; however there is a slightly higher demand for 2 x 7.5 hour sessions. Anecdotal feedback from families indicates that 2 x 7.5 hour sessions

offer them an equivalent to two full days of preschool in a long day ECEC service which is cheaper by approximately \$6000 per year.

Some benchmarking undertaken in 2015 identified Knox Council's preschool fees as some of the lowest fees for Council-operated preschools in metropolitan Victoria.

Council's 2016 annual fee of \$1,079 is also lower than the State Government's annual *Kindergarten Fee Subsidy* of \$1,386 in 2016. This fee subsidy is designed to provide eligible children (such as those in families with a Commonwealth Health Care Card or on a Refugee Visa) with access to free or low-cost preschool and is in addition to the standard "per-capita" rate of \$3,390/child that Council receives for these children. This means that children who meet these eligibility criteria do not pay fees if they attend a Knox City Council-operated preschool as the place is fully funded by the State Government.

Council has a reputation for providing high quality preschool programs and the majority of Council's sessional preschool services have received a rating of *Exceeding the National Quality Standard*.

An analysis of Council's service levels in relation to its partnership with preschool committees will be included as part of the Service Analysis.

Efficiency

[The Preschool Service is included in the Customer Focused Business Improvement program and will be examining how its processes could be improved for greater efficiency and customer friendliness. Due to the changes to the scope of this project due to the requirements of the Early Years Management Policy, the Preschool Service will not be included in the Customer Focused Business Improvement Program. However, any systems and processes that are revised or designed in order to meet the EYM Policy will be done to ensure efficiencies are maximised.](#)

Policy and Legislation

In addition to the specific policy initiatives outlined below, there has been a consistent focus in some other policies requiring changes to a range of universal children's services, such as Maternal and Child Health and preschool. For example, the introduction of the National Disability Insurance Scheme, implementation of the Out of Home Care Agreement, and recommendations from the Royal Commission into Family Violence all require changes to preschool service delivery and practice by improving and enhancing participation of children with disability and those experiencing vulnerability in preschool programs. These policies also place preschool staff at the centre of the team of a range of professionals who may be working with the child and family, which can impact on time and resourcing that has traditionally been allocated to specifically to the preschool service and educational program.

National Partnership Agreement on Universal Access to Early Childhood Education

It is of note that the current model of 15 hours of preschool for each eligible child does not have ongoing funding committed by the Commonwealth Government. Under the National

Partnership Agreement, the Commonwealth Government funds five of the 15 hours, however this funding is only secured until the end of the 2017 school year.

Depending on the outcomes of any negotiations relating to this National Partnership Agreement over the next 12 to 18 months, the service model and service levels of Council's preschool service may change in response to future funding arrangements. Council is actively advocating to the Commonwealth Government for their commitment to ongoing funding for the initiative.

Education State (Victorian Department of Education and Training); and Roadmap for Reform: Strong Families, Safe Children (Victorian Department of Health and Human Services)

These two recently released State-based policies have a particular focus on improving outcomes for children and families who may be experiencing vulnerability within the early years service system, and more broadly in the family support service system.

A clear theme in both policies is the need to strengthen and integrate service delivery for children and families, and to improve data collection to enable better monitoring and reporting on outcomes. In relation to preschool, there is also focus on improving access to, and participation in preschool, particularly for three-year olds experiencing vulnerability and Aboriginal and Torres Strait Islander children.

Funding for some initiatives from these policies have been announced as part of the 2016-17 Victoria Budget, however, further detail is yet to be released. As preschool is a universal service, it is expected that there will be some implications for service delivery and practice; however the specific details are not yet known.

Early Years Management Policy Framework and Early Years Management Kindergarten Operating Guidelines (Victorian Department of Education and Training)

~~At the time of writing, the Victorian Government released a new policy framework (Early Years Management [EYM] Policy Framework) and guidelines (Early Years Management Kindergarten Operating Guidelines) that will replace the 2009 Kindergarten Cluster Management Policy Framework.~~

~~As these documents relate to Council's role as a Kindergarten Cluster Manager and as a local government organisation working in partnership with the Victorian Government, they will now be reviewed as part of the Service Analysis. This will support Council to understand the implications for its preschool services and maintain compliance with the new requirements set out by the Victorian Government.~~

~~The Victorian Government expects that the EYM Policy Framework to be implemented over the next 18 months—by December 2017.~~

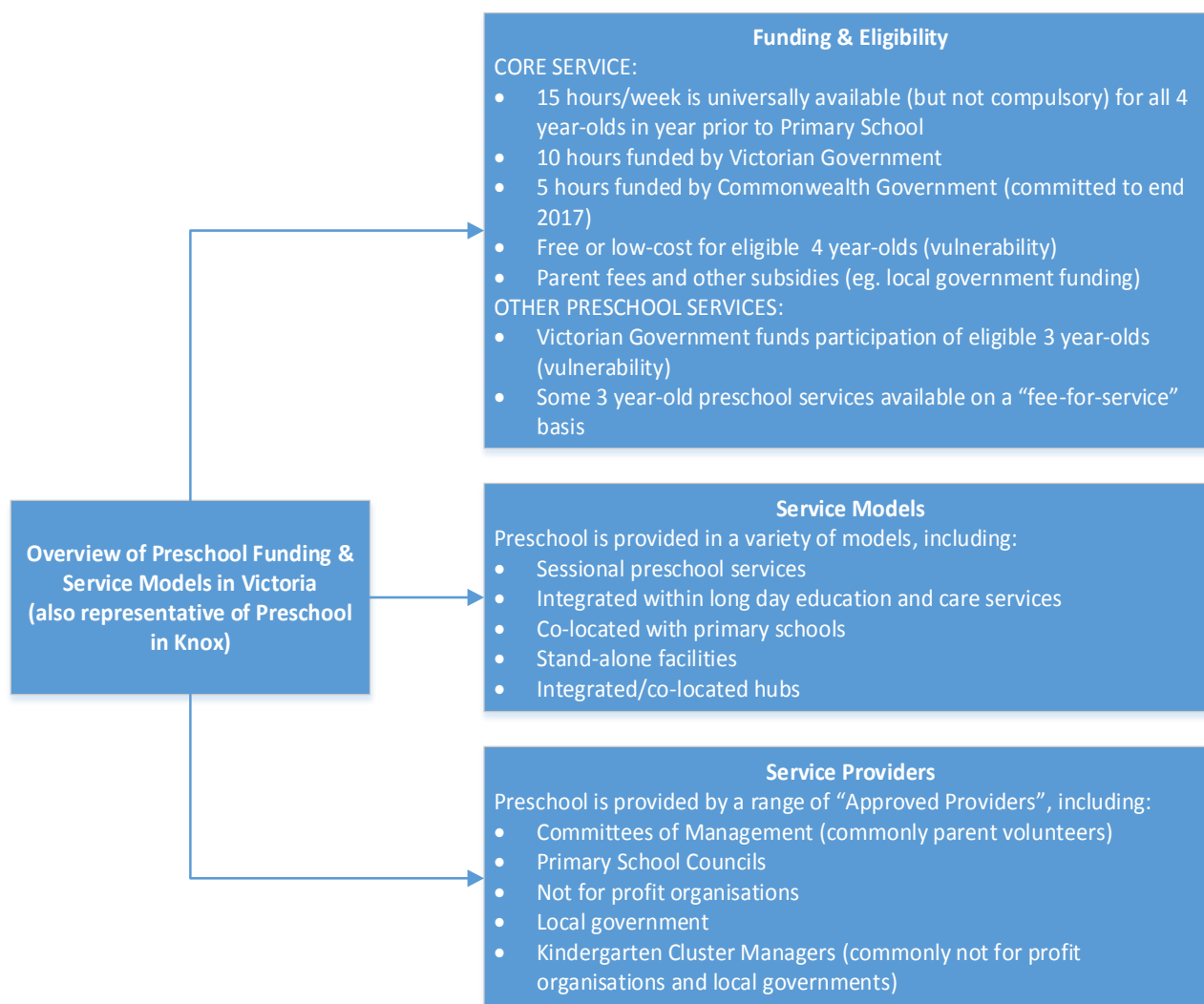
REFERENCES

1. Department of Education and Training. (2015). *Early Childhood Programs and Services Guide. December 2015*. Melbourne, Victoria.
2. Department of Education and Training. (2016). *Kindergarten Funding Guide 2016*. Melbourne, Victoria.
3. Knox City Council Report. (April 2010). *Early Years Services Future Directions*.
4. Knox City Council Report. (February 2015). *2016 Child:Staff Ratio for Early Childhood Education and Care Services*
5. Department of Education and Training. (2016). *Early Years Management Policy Framework and Early Years Management Kindergarten Operating Guidelines*. Melbourne, Victoria.

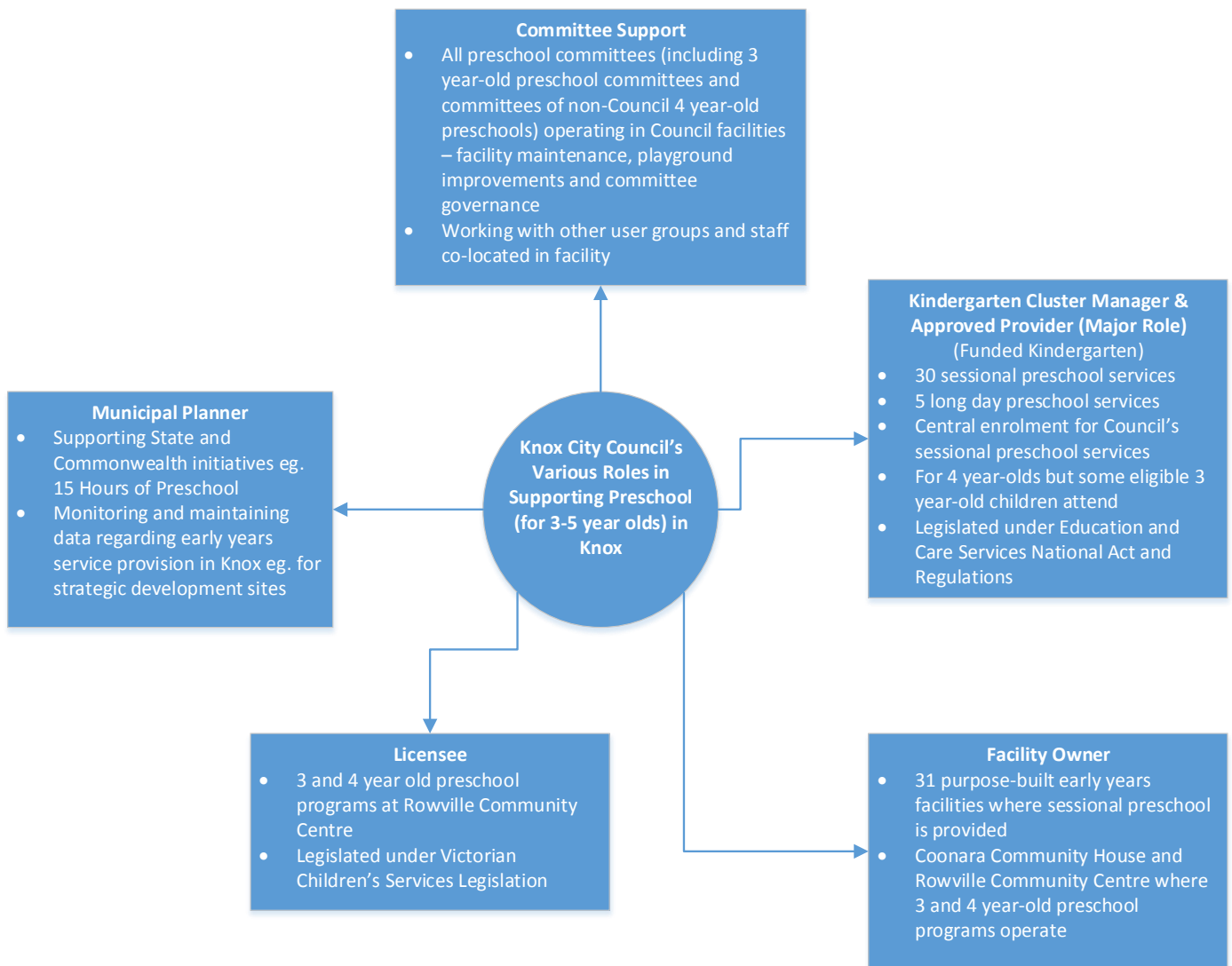
APPENDICES

- A. Victorian Preschool Funding & Service Models
- B. Knox City Council roles in supporting preschool in Knox municipality
- C. Knox City Council owned Early Years facilities where preschool is provided

VICTORIAN PRESCHOOL FUNDING & SERVICE MODELS



KNOX CITY COUNCIL'S ROLES IN SUPPORTING PRESCHOOL IN KNOX MUNICIPALITY



**KNOX CITY COUNCIL-
OWNED EARLY YEARS FACILITIES WHERE PRESCHOOL IS PROVIDED**

Council-Owned Early Years Facility	Council Operated State-Funded 4 year-old Sessional Preschool	Community-managed 3 year-old sessional preschool or deferred 4 year-old preschool	Playgroup or 3 year-old activity group	Maternal Child Health	Other User Groups / Notes
Alexander Magit	✓	x	✓	x	
Alice Johnson	✓	✓	✓	x	
Bena Angliss	✓	x	✓	✓ <i>Forest Road</i>	
Berrabri	✓	x	x	x	
Billoo Park	✓	x	✓ <i>separate building, same land</i>	✓ <i>separate building, same land</i>	
Blue Hills	✓	x	✓	✓	PLACE Program Early Years Hub site
Cooinda	✓	x	✓	x	
Eildon Parade	✓	x	x	x	Kidz Bizz Little Premmies
Flamingo	✓	✓	✓	x	
F.W Kerr	✓	x	x	x	
Goodwin Estate	✓	✓	✓	x	
Haering Road	✓	x	✓	x	
Knoxfield	✓	✓	✓	✓	
Knox Gardens	✓	x	x	x	Early Years Hub site
Kinderlea	x	✓	x	x	Staff offices
Liberty Avenue	✓	✓	✓	✓	
Mariemont	✓	✓	x	x	
Murrindal	✓	x	✓	✓	Family counselling provided by Anglicare
NG Haynes	x	x	✓	✓	
Park Ridge	✓	x	✓	x	
Riddell Road	✓	x	✓	x	
Rowville	✓	✓	✓	x	
Scoresby West	✓	x	✓	x	
Taylors Lane	✓	x	✓	x	
Templeton Orchards	✓	✓	x	x	
The Basin	✓	✓	✓	x	
The Fields	✓	x	x	x	
Upper Ferntree Gully	✓	x	✓	x	
Wattleview	✓	x	✓	✓	
West Gully	✓	x	✓	x	
Windermere	✓	✓	✓	x	
Alchester Village	x <i>Operated by Committee of Management</i>	✓ <i>Operated by Committee of Management</i>	✓	x	
Colchester Park	x	✓ <i>Operated by Best Chance KCMEYM</i>	x	x	

	<i>Operated by Best Chance</i> KCMEYM				
--	--	--	--	--	--

Appendix B

Service: Preschool Services

Director: Kerry Stubbings, Director Community Services

Manager: Janine Brown, Manager Family and Children's Services

SERVICE ASSESSMENT QUESTIONS

This Service Assessment will aim to answer the following key questions in the context of the Victorian Government's 2016 Early Years Management Policy Framework and Kindergarten Operating Guidelines:

1. What should be the service model for this service?
2. What should be the service levels for this service?

In accordance with the Council Plan, all Service Analyses will consider planning, where relevant, for an ageing population; and providing a range of programs, services and partnerships which aim to build connections between people and reduce social isolation.

INTRODUCTION

Preschool is a term that commonly refers to an early childhood education and care (ECEC) service for three to five year old children in the year, or two years prior to starting primary school. The service models for preschool differ across Australia.

The core preschool service in Victoria provides all eligible four year-old children in the year prior to primary school with access to 15 hours per week of "funded kindergarten". This is a universally available service but attendance is not compulsory. Eligible three year-old children and those who have been assessed as eligible for a second year of preschool are also entitled to access "funded kindergarten".

Victoria's core preschool service is provided by a range of different organisations and in a variety of models, including the traditional model of sessional preschool as well as in long day ECEC services. Further information about funding and service delivery models in Victoria and in Knox, is available in Attachment A.

Knox City Council's "funded kindergarten services" are called preschool and are provided by the Family and Children's Services Department. Council is the **Approved Provider** (under the Education and Care Services National Act and Regulations), and the **Early Years Management Organisation** (EYM; as approved by the Victorian Department of Education and Training, and previously known as Kindergarten Cluster Management) of these services. These are Council's main roles in relation to preschool provision in Knox. Whilst Council has been a provider of preschool for over 30 years, in addition to its roles as EYM and Approved Provider, Council also supports and resources the provision of

preschool across the municipality, including some preschool services delivered by other Approved Providers. An overview of these roles is available in Attachment B, and is also described in the following section – ‘Current Service Model’.

Local governments in Victoria are a major owner of infrastructure used to deliver preschool services and also play a role in the delivery, coordination and strategic planning for early childhood services, including preschool. The Municipal Association of Victoria (MAV) and the Victorian Department of Education and Training (DET) have a formal partnership that commits both parties (and therefore Victorian local governments) to a collaborative and cooperative approach to the planning and delivery of early childhood services.

Available data indicates that:

- All 79 Victorian Local Governments own facilities from which early years services operate, and 43 of these Local Governments are the Approved Providers of the early years services in these facilities.
 - The remaining 36 Victorian Local Governments own facilities where early years services operate, but they are not the Approved Provider of the services.
- 27 Victorian Local Governments are Early Years Management Organisations (and therefore also Approved Providers of preschool).
- 16 Victorian Local Governments are Approved Providers of preschool services (but are not Early Years Management Organisations).
- 50 Victorian Local Governments provide a Central Enrolment Service in their municipality, but the early years services included in the Central Enrolment Service varies between municipalities.

Early Years Management Policy Framework and Early Years Management Kindergarten Operating Guidelines (Victorian Department of Education and Training)

The Policy and Guidelines were released in July 2016 and clearly outline the Victorian Government’s strategic direction and operational requirements for “funded kindergartens” into the future. Kindergarten Cluster Management (KCM) organisations are now referred to as Early Years Management (EYM) organisations in recognition that many of these organisations provide a range of early years services in addition to “funded kindergarten”. The Policy also outlines the long-term vision for a more integrated and sustainable ECEC system that helps to improve outcomes for children and their families.

CURRENT SERVICE MODEL

Preschool Service Snapshot

Since 2009, 15 hours per week of “funded kindergarten” has been jointly funded by the Victorian and Commonwealth Governments under National Partnership Agreements on Universal Access to Early Childhood Education. Under this Agreement, the Victorian Government grant subsidises ten hours, and the Commonwealth Government subsidises five hours of preschool for eligible children. This combined funding does not cover the full cost of providing preschool and Knox City Council’s preschool services are also funded from parent fees and a Council subsidy. The current Agreement expires in December 2017.

Preschool services in Victoria are regulated under the Education and Care Services National Law Act (2010) and Regulations (2011), and assessed against the National Quality Standard. The children’s educational program is guided by the Victorian Early Years Learning and Development Framework.

The service delivery environment is different now to when Council began providing preschool over 30 years ago, however, some of the most significant changes have occurred during the last decade as listed below:

- 2010:
 - Introduction of national legislation (Education and Care Services National Act and Regulations).
 - Introduction of the Victorian Early Years Learning and Development Framework.
 - Requirement for Council to develop and administer a Priority of Access Policy to ensure equitable allocation of children through its Central Enrolment Service to Council’s preschool services, and Council’s compliance with the Charter of Human Rights.
- 2012:
 - Introduction of assessment and accreditation under the National Quality Framework.
- 2013:
 - Introduction of Universal Access to Early Childhood Education (15 Hours of Preschool).
- 2015:
 - Increase in “funded kindergarten” programs being offered by long day ECEC services.
- 2016:
 - Changes to child:staff ratios for three to five year-old children from 1:15 to 1:11.
 - Introduction of the Victorian Child Safe Standards (and associated legislation), and the implications for Council’s partnership with preschool committees.
 - Introduction of the Victorian Early Years Management Policy Framework and Kindergarten Operating Guidelines

Service budget 2014/2015: Income Expenditure Net	 (\$5,671,339) \$5,876,618 \$205,279	Further Information: <ul style="list-style-type: none"> • 1350 children attending 54 groups in 2014 calendar year • 1283 children attending 51 groups in 2015 calendar year • Child:staff ratio 1:15 no capped group sizes
Service EFTs:	67.25 <u>Approximately:</u> <ul style="list-style-type: none"> • 8 Co-ordination Unit Staff • 115 Educators (Teachers and Assistants) 	

The income in 2014/15 includes \$5.3million in State/Commonwealth Government grants, and \$320,000 in parent fees. The State/Commonwealth Government grants include a per-capita grant for each child attending the service, as well as grant funding to support Council's role as an Early Years Management Organisation.

The above EFT does not include early childhood teachers currently employed in Council's long day and occasional ECEC services.

In response to the introduction of changed child:staff ratios from the commencement of January 2016, Council resolved in February 2015 to cap group sizes to 22 children and only increase group sizes where significant demand and licensed floor space permitted group sizes of 30 children or more. This reduced the need for Council to employ an additional staff member in every group size over 22 children but also increased the number of groups across the service. The subsequent budgets for the 2015/16 and 2016/17 reflect this model of additional groups (and thus some additional staff) as well as employment conditions for educators under the Early Education Employees Agreement 2016.

Service budget 2015/2016: Income Expenditure Net	 (\$5,383,583) \$6,075,560 \$691,977	Further Information: <ul style="list-style-type: none"> • 1283 children attending 51 groups in 2015 calendar year • 1250 children attending 58 groups in 2016 calendar year • Child:staff ratio 1:11 and group sizes capped at 22
Service EFTs:	71.46 <u>Approximately:</u> <ul style="list-style-type: none"> • 10 Co-ordination Unit Staff • 130 Educators (Teachers and Assistants) 	

Proposed budget 2016/2017: Income Expenditure Net	(\$5,625,789) \$6,567,902 \$942,113	Further Information: <ul style="list-style-type: none"> • 1250 children attending 58 groups in 2016 calendar year • Number of enrolments and group sizes still to be determined for 2017 calendar preschool year.
Service EFTs:	75.46 <u>Approximately:</u> <ul style="list-style-type: none"> • 10 Co-ordination Unit Staff • 134 Educators (Teachers and Assistants) 	

The State Government is currently making adjustments to the subsidies they provide Knox City Council in recognition of the change to child:staff ratios and the recently approved Early Education Employees Award.

Service Provider

Council's main role is in the direct provision of preschool as an Approved Provider under the Education and Care Services National Act and Regulations and as an EYM. EYMs are funded by the State Government to manage clusters of preschool services in a municipality or across the state. EYMs are required to adhere to the recently released EYM Policy Framework and Kindergarten Operating Guidelines, as well as the Kindergarten Funding Guide, which includes State Government targets and priorities, for example, strategically planning for and driving the implementation of major policy reforms such as Universal Access to 15 Hours of Preschool and the National Quality Framework.

As an EYM, Council is required to be an Approved Provider and is also required to be the employer of staff in the preschool service. Council could be an Approved Provider without being an EYM, but as an Approved Provider, would still be required to be the employer of staff in the preschool service.

Traditionally, Council has provided sessional preschool services, where children attend a service for 15 hours per week during school terms. In the 2016 calendar year, there are 58 sessional preschool groups operating from 30 Council-operated preschool centres. More recently, funded preschool programs were also introduced in Council's five long day ECEC services in response to the requirement under the National Quality Framework to employ degree-qualified early childhood teachers, and operate as part of Council's cluster of preschools. This also provides children who are enrolled in these services with the opportunity to participate in a preschool program as part of the long day ECEC service.

Council is the largest provider of sessional preschool in the municipality. Council currently provides a central enrolment service for Council-operated sessional preschools and allocates children in accordance with Council's Funded Preschool Policy (2015). Each of Council's preschools (with the exception of Birch Street at Bayswater Primary School) has an incorporated volunteer preschool committee that supports the operation of the service through a range of activities outlined further in the 'Service Assessment' section under 'Service Model'.

Council collects *preschool term fees* from parents which are then provided as a grant to preschool committees in instalments each term. The grant is determined by the number of children enrolled each term – a formula that provides committees of preschools with higher enrolments with larger grants, and can result in some funds being carried over by committees from year to year as surplus funds. Preschools in more vulnerable areas of the municipality often have lower enrolments, and these communities may also have lower levels of capacity to fundraise for their local preschool. This can result in some preschool committees having fewer funds than other preschool committees to undertake the same activities.

An integrated service delivery model is used to delivery Council's early years services, including its preschool services. This means that staff working in Council's early years services, and in Council's early years facilities work together and work with parent committees and other key stakeholders (including local primary schools) so that children and families are better supported and improves learning and development outcomes for children.

Council's sessional preschool services (and not those operating in Council's long day ECEC services) which operate in Council's cluster of preschools and under the Education and Care Services National Act and Regulations will be the focus of this service planning project.

Facility Owner

Council is the owner of 31 purpose-built facilities on Council land where sessional preschool services for four-year olds is provided. Council is the Approved Provider of the preschool service in 29 of these facilities. Council does not own the facility or the land where the Birch Street Preschool operates as the facility is part of Bayswater Primary School. However, Council is responsible for the maintenance of this facility, the preschool is operated as part of Council's Kindergarten Cluster, and Council is the Approved Provider of the preschool service.

Alchester Village is operated by an independent committee of management, and Colchester Park Preschool is operated by *bestchance* Early Years Management who each hold a License Agreement with Council for the use of these facilities.

In addition to four-year old preschool, other early years services operate from most of these facilities, such as Maternal and Child Health and playgroups. Further detail is provided in Attachment 3.

As the majority of these facilities were constructed between 1960 and 1988, a facility plan will be required in the future that outlines how Council can manage and/or replace these ageing assets into the future to ensure the infrastructure is supporting the delivery of the service/s. A valuation of Council's facilities is scheduled for the end of the 2015/16 financial year and updated valuation information can be provided as part of the Service Analysis.

Non-Council Preschool Services

Council is one of a range of service providers offering preschool in the Knox municipality. In addition to Alchester Village and Colchester Park Preschools, there are three schools that provide “funded kindergarten” programs, and many long day ECEC services also offer a “funded kindergarten” program.

There are currently 17 three-year old preschools and activity groups, and three services for children deferring preschool operating across the municipality in 2016. 18 of these services operate from Council-owned facilities, including Council’s early years facilities, Coonara Community House and Rowville Community Centre.

Coordination and Strategic Planning

As the largest sessional preschool provider in the municipality, the majority of planning and coordination undertaken is for Council-operated services. In recent years, the introduction of 15 Hours of Preschool and other major policy initiatives have required Council’s Family and Children’s Services Department to lead municipal-wide planning activities and provide support to all preschool providers in Knox. This has included the collection and reporting of municipal-wide data on behalf of the State Government to support the introduction of 15 Hours of Preschool across both Council and non-Council preschool services. This component of Council’s role is less developed than its role as a direct service provider, however, the Victorian Government has reinforced the expectations it has of local government to undertake these types of activities through the Early Years Management Policy Framework.

SERVICE ASSESSMENT

Role of Council

As noted in the ‘Current Service Model’ above, Council’s main role in relation to four-year old preschool is as an Early Years Management Organisation and Approved Provider.

As the Approved Provider, an EYM, and employer, Council is responsible for:

- Employment and supervision of, and professional development for preschool staff;
- Meeting all legislative and quality requirements under the Education and Care Services National Act and Regulations and National Quality Framework;
- Meeting requirements of the EYM Policy Framework and EYM Kindergarten Operating Guidelines, and the Funding and Service Agreement with the Victorian Government;
- Maintaining and renewing Council’s preschool facilities;
- Actively supporting the engagement and participation of vulnerable children in preschool programs; and
- Strategically planning for and driving of major policy reforms (such as the National Quality Framework).

Volunteer preschool committees play a key role in supporting the delivery of Council’s preschool programs, however the activities that committees are involved in will need to change under the EYM Policy. This is discussed in further detail in ‘Service Model’ section of this Scope.

Although preschool in Victoria is considered a universal service that provides all eligible children with access to a funded place, attendance is not compulsory. However, with the increase in funded preschool places being provided in “market-driven” long day ECEC services, the Service Analysis will investigate the relevance of the National Competition Policy to Council’s preschool services. This will include an analysis of a number of scenarios, including working towards cost neutrality.

An analysis of Council’s roles as an Approved Provider and EYM will not form part of the Service Analysis as the focus will be on the changes required to Council’s partnership with preschool committees in order to meet the requirements of the EYM Policy.

Strategic Intent

As outlined in the Municipal Early Years Plan, Council’s strategic intent for children and families is that:

- **Knox Children:** are enjoying a happy, safe childhood where they are loved, supported and nurtured. They are engaged towards optimal health, wellbeing and are active participants in their own learning, development and community;
- **Childhood in Knox:** is an important and recognised stage of life, where children play and example and are part of neighbourhoods, as their learning is supported by their family, friends and wider community;
- **Knox Families:** are richly diverse, and their role as their child’s first and most important teacher is acknowledged and valued. They are supported, encouraged, connected, informed and empowered to be nurturing, confident and thriving families.

In addition to the direct provision of four-year old preschool, Council supports preschool in the following ways.

Council supports the participation of three-year old children who may be experiencing vulnerability in its preschool programs through two State-funded initiatives:

- Early Start Kindergarten, and
- Access to Early Learning.

Council supports non-Council preschool providers (of both three and four-year old preschool services) through:

- Providing access to Council’s purpose-built early years facilities at peppercorn rent, or by waiving the license fee; and
- Supporting preschool committees through Council’s Early Years Facility and Committee Liaison Officers and facilitating an annual committee training program.

Council resolved in April 2010 to provide priority access to Council’s licensed early years playrooms to funded four-year old preschool services.

An analysis of Council’s strategic intent and the ways in which Council supports preschool across the Knox municipality as a service provider and facility owner will not form part of the Service Analysis as the focus will be on the changes required to Council’s partnership with preschool committees in order to meet the requirements of the EYM Policy. Future service reviews may focus on Council’s strategic intent and role in supporting and

delivering preschool services across the municipality. Any future reviews will be undertaken within the current service delivery, legislative and funding context to ensure the analysis is contemporary and up to date.

Service Model

Volunteer preschool committees support the day-to-day operation of Council's preschool services using a combination of volunteer hours, funding through an operational grant from the fees collected by Council, and fundraising monies. Currently, Council requires these committees to be Incorporated Associations, and Committees take responsibility for a range of activities including:

- Minor facility maintenance, including working bees;
- Playground maintenance, development and renewal;
- Purchasing of equipment, consumables and resources for the preschool program;
- Oversee and manage contracts for cleaners and gardeners; and
- Some administrative tasks.

A particularly valued outcome of parent participation through committees is the sense of community that is fostered, and the contributions made to their local community/preschool facility.

Preschool term fees are set by Council following consideration of the fee proposal put forward by the Combined Preschool Committees Working Party. As outlined above, these fees are collected by Council and are paid directly to committees as an operational grant to assist with day to day preschool service expenses. Committees may also undertake fundraising activities. However, the combination of the formula used to calculate the grant and the varied capacity of some local communities to fundraise, results in some preschool committees having fewer funds to support the preschool. Initial analysis has identified this is an inequitable approach that potentially disadvantages children attending preschools with lower enrolments.

The partnership and funding arrangements that Council has with volunteer preschool committees will need to be reviewed in order for Council to meet its obligations as an EYM.

Key Areas for investigation for this Service Analysis will include:

- *Modelling and analysis of any financial impact to Council to undertake all activities required by the EYM Policy, including activities that preschool committees currently take responsibility for. This will also include an analysis of any adjustment to preschool fees that is required for a more sustainable service and the design of efficient systems, processes and business practices that will support the sustainability of the Preschool Service into the future.*
- *Ongoing communication and engagement with staff, parents and preschool committees to support their understanding of the changes required by the EYM Policy. This will specifically include engagement with past and present members of preschool committees to design a model of future preschool committees that is meaningful and relevant to parents/family members of children attending the preschool service, and*

that retains community capacity building and building community connections as a key function of preschool committees.

- *An assessment to determine if preschool committees will need to retain their status as an Incorporated Association and any requirements for insurance.*

Service Levels

It is understood from available data that the majority of eligible children in Knox are enrolled in a funded preschool program.

In 2016, there are 1250 children enrolled in Council's sessional preschools across 58 groups in 30 centres. This is approximately 67% of all four-year olds in Knox and is a slight decrease from 1363 children enrolled in 2013. Eligible children not attending Council's sessional preschools are likely to be enrolled in non-Council sessional preschools or a funded preschool program offered in a long day ECEC service.

Due to changes to child:staff ratios that were introduced in January 2016, and following an analysis of options for a sustainable preschool service, Council resolved in February 2015 to cap the majority of groups sizes to 22 children and only increase group sizes where significant demand and licensed floor space allows.

Council currently offers 3 x 5 hour sessions or 2 x 7.5 hour sessions per week. This model appears to meet the community's needs; however there is a slightly higher demand for 2 x 7.5 hour sessions. Anecdotal feedback from families indicates that 2 x 7.5 hour sessions offer them an equivalent to two full days of preschool in a long day ECEC service which is cheaper by approximately \$6000 per year.

Some benchmarking undertaken in 2015 identified Knox Council's preschool fees as some of the lowest fees for Council-operated preschools in metropolitan Victoria.

Council's 2016 annual fee of \$1,079 is also lower than the State Government's annual *Kindergarten Fee Subsidy* of \$1,386 in 2016. This fee subsidy is designed to provide eligible children (such as those in families with a Commonwealth Health Care Card or on a Refugee Visa) with access to free or low-cost preschool and is in addition to the standard "per-capita" rate of \$3,390/child that Council receives for these children. This means that children who meet these eligibility criteria do not pay fees if they attend a Knox City Council-operated preschool as the place is fully funded by the State Government.

Council has a reputation for providing high quality preschool programs and the majority of Council's sessional preschool services have received a rating of *Exceeding the National Quality Standard*.

An analysis of Council's service levels in relation to its partnership with preschool committees will be included as part of the Service Analysis.

Efficiency

Due to the changes to the scope of this project due to the requirements of the Early Years Management Policy, the Preschool Service will not be included in the Customer Focused Business Improvement Program. However, any systems and processes that are revised or designed in order to meet the EYM Policy will be done to ensure efficiencies are maximised.

Policy and Legislation

In addition to the specific policy initiatives outlined below, there has been a consistent focus in some other policies requiring changes to a range of universal children's services, such as Maternal and Child Health and preschool. For example, the introduction of the National Disability Insurance Scheme, implementation of the Out of Home Care Agreement, and recommendations from the Royal Commission into Family Violence all require changes to preschool service delivery and practice by improving and enhancing participation of children with disability and those experiencing vulnerability in preschool programs. These policies also place preschool staff at the centre of the team of a range of professionals who may be working with the child and family, which can impact on time and resourcing that has traditionally been allocated to specifically to the preschool service and educational program.

National Partnership Agreement on Universal Access to Early Childhood Education

It is of note that the current model of 15 hours of preschool for each eligible child does not have ongoing funding committed by the Commonwealth Government. Under the National Partnership Agreement, the Commonwealth Government funds five of the 15 hours, however this funding is only secured until the end of the 2017 school year.

Depending on the outcomes of any negotiations relating to this National Partnership Agreement over the next 12 to 18 months, the service model and service levels of Council's preschool service may change in response to future funding arrangements. Council is actively advocating to the Commonwealth Government for their commitment to ongoing funding for the initiative.

Education State (Victorian Department of Education and Training); and Roadmap for Reform: Strong Families, Safe Children (Victorian Department of Health and Human Services)

These two recently released State-based policies have a particular focus on improving outcomes for children and families who may be experiencing vulnerability within the early years service system, and more broadly in the family support service system.

A clear theme in both policies is the need to strengthen and integrate service delivery for children and families, and to improve data collection to enable better monitoring and reporting on outcomes. In relation to preschool, there is also focus on improving access to, and participation in preschool, particularly for three-year olds experiencing vulnerability and Aboriginal and Torres Strait Islander children.

Funding for some initiatives from these policies have been announced as part of the 2016-17 Victoria Budget, however, further detail is yet to be released. As preschool is a universal service, it is expected that there will be some implications for service delivery and practice; however the specific details are not yet known.

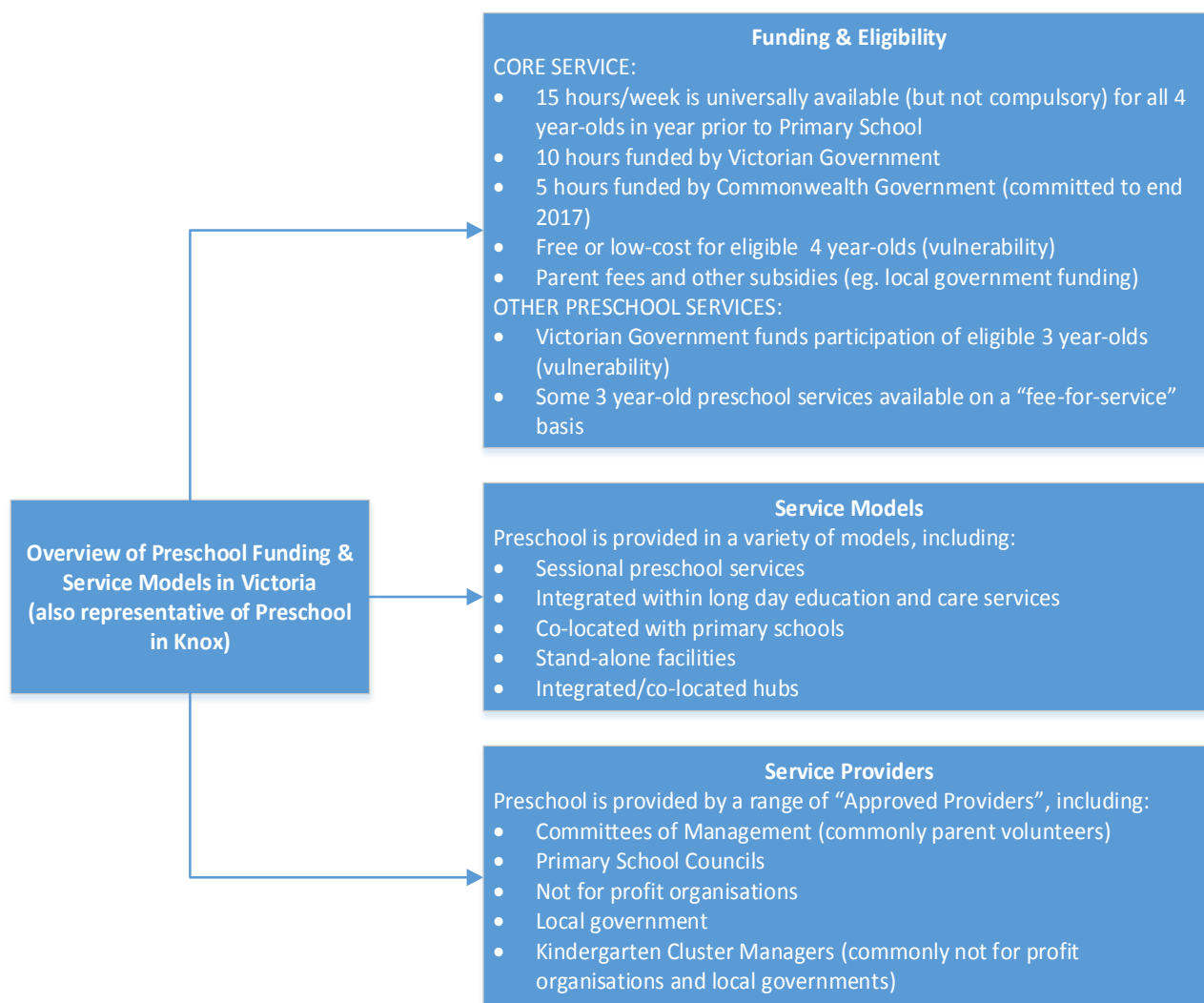
REFERENCES

1. Department of Education and Training. (2015). *Early Childhood Programs and Services Guide. December 2015*. Melbourne, Victoria.
2. Department of Education and Training. (2016). *Kindergarten Funding Guide 2016*. Melbourne, Victoria.
3. Knox City Council Report. (April 2010). *Early Years Services Future Directions*.
4. Knox City Council Report. (February 2015). *2016 Child:Staff Ratio for Early Childhood Education and Care Services*
5. Department of Education and Training. (2016). *Early Years Management Policy Framework and Early Years Management Kindergarten Operating Guidelines*. Melbourne, Victoria.

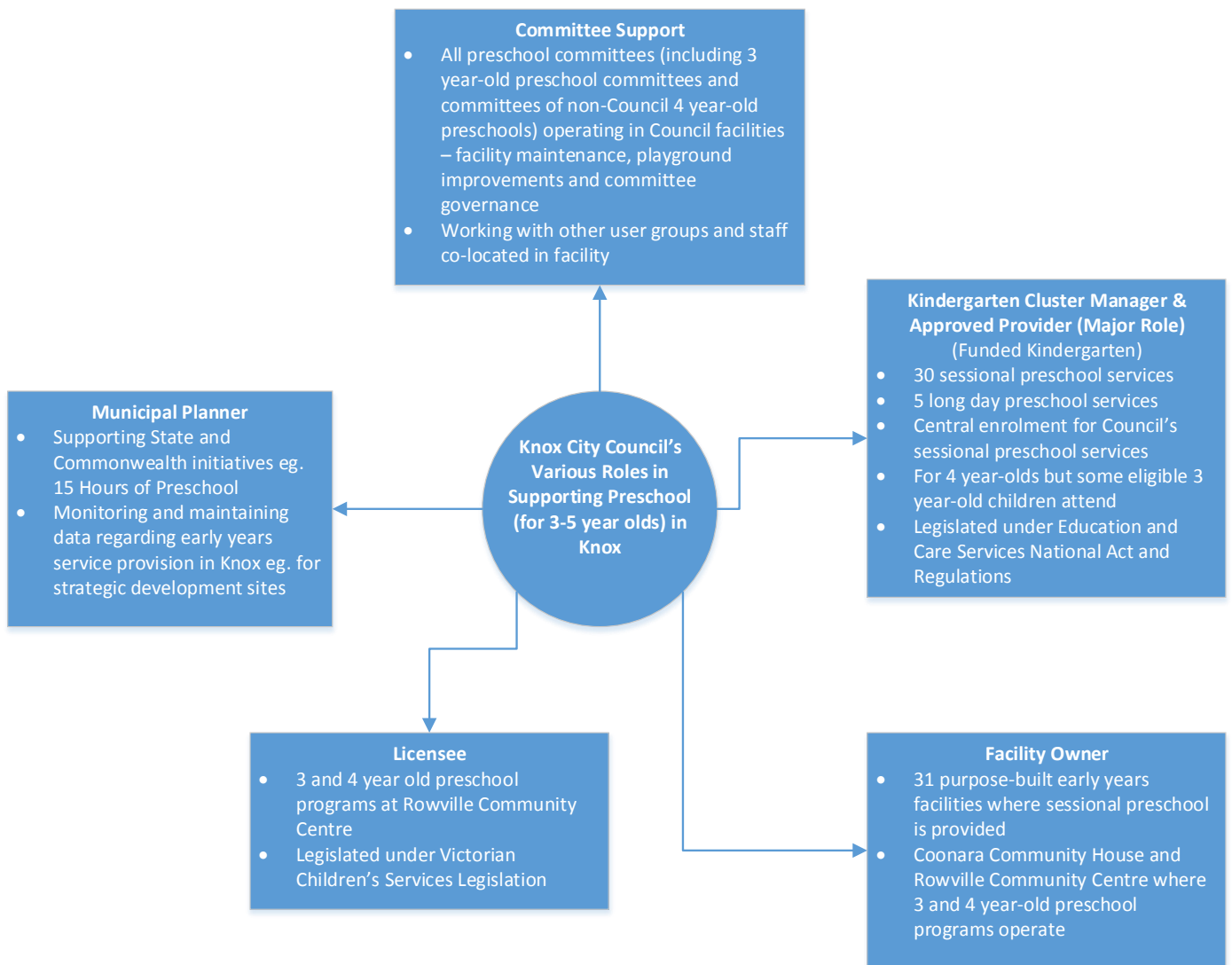
APPENDICES

- A. Victorian Preschool Funding & Service Models
- B. Knox City Council roles in supporting preschool in Knox municipality
- C. Knox City Council owned Early Years facilities where preschool is provided

VICTORIAN PRESCHOOL FUNDING & SERVICE MODELS



KNOX CITY COUNCIL'S ROLES IN SUPPORTING PRESCHOOL IN KNOX MUNICIPALITY



**KNOX CITY COUNCIL-
OWNED EARLY YEARS FACILITIES WHERE PRESCHOOL IS PROVIDED**

Council-Owned Early Years Facility	Council Operated State-Funded 4 year-old Sessional Preschool	Community-managed 3 year-old sessional preschool or deferred 4 year-old preschool	Playgroup or 3 year-old activity group	Maternal Child Health	Other User Groups / Notes
Alexander Magit	✓	x	✓	x	
Alice Johnson	✓	✓	✓	x	
Bena Angliss	✓	x	✓	✓ <i>Forest Road</i>	
Berrabri	✓	x	x	x	
Billoo Park	✓	x	✓ <i>separate building, same land</i>	✓ <i>separate building, same land</i>	
Blue Hills	✓	x	✓	✓	PLACE Program Early Years Hub site
Cooinda	✓	x	✓	x	
Eildon Parade	✓	x	x	x	Kidz Bizz Little Premmies
Flamingo	✓	✓	✓	x	
F.W Kerr	✓	x	x	x	
Goodwin Estate	✓	✓	✓	x	
Haering Road	✓	x	✓	x	
Knoxfield	✓	✓	✓	✓	
Knox Gardens	✓	x	x	x	Early Years Hub site
Kinderlea	x	✓	x	x	Staff offices
Liberty Avenue	✓	✓	✓	✓	
Mariemont	✓	✓	x	x	
Murrindal	✓	x	✓	✓	Family counselling provided by Anglicare
NG Haynes	x	x	✓	✓	
Park Ridge	✓	x	✓	x	
Riddell Road	✓	x	✓	x	
Rowville	✓	✓	✓	x	
Scoresby West	✓	x	✓	x	
Taylors Lane	✓	x	✓	x	
Templeton Orchards	✓	✓	x	x	
The Basin	✓	✓	✓	x	
The Fields	✓	x	x	x	
Upper Ferntree Gully	✓	x	✓	x	
Wattleview	✓	x	✓	✓	
West Gully	✓	x	✓	x	
Windermere	✓	✓	✓	x	
Alchester Village	x <i>Operated by Committee of Management</i>	✓ <i>Operated by Committee of Management</i>	✓	x	
Colchester Park	x <i>Operated by Best Chance EYM</i>	✓ <i>Operated by Best Chance EYM</i>	x	x	