OFFICER’S RECOMMENDATION

That Council;

1. Consult with the community and complete a detailed analysis of current and future child care service demand;

2. Investigate the capability of existing providers and associated infrastructure to accommodate additional child care;

3. Provides further investigation into the capital refurbishment costs for:
   a. South Hedland TAFE Campus child care building; and,
   b. Port Hedland Library.

4. Compile the above information to create a business case recommending actions to address current and future child care service demand.

   SIMPLE MAJORITY VOTE REQUIRED

PURPOSE

There is a current and deepening shortage of child care within the Town of Port Hedland, the extent of which is yet to be determined. Currently there are five (5) child care centres in both Port and South, all with extensive waiting lists.

This report presents options to identify and address the ongoing shortage of child care services within the town, including the potential to reactivate the defunct South Hedland TAFE Campus child care building and the repurposing of Port Hedland Library through lease arrangement.

Interest in operating an additional child care service from a child care provider already established in the Town of Port Hedland has been received. It is recommended that officers consult with the community further to identify child care service demand, investigate in detail the South Hedland TAFE Campus child care building and the repurposing of the Port Hedland Library as alternate child care venues for lease, investigate the expansion capability of existing providers and return to Council with a business case report with recommendations.
DETAIL

Current child care services and facility options

There are currently five (5) child care service operators located across Port and South Hedland, which all have a waitlist for entry into the service. It has been reported that expectant mothers are placing their unborn child on the waitlists to ensure they have a place when they need to return to work. An example of the One Tree Community Services child care, operating out of the Len Taplin facility, currently has 49 families on their waitlist, with some registering as far back as October 2017. Further information is required to determine the expansion potential of existing service providers.

At the 28 August 2014 Ordinary Council meeting, Council resolve to dispose of a portion of Lot 550 Hedditch Street South Hedland to Play and Learn WA Pty Ltd. This land sits on the same lot as the Port Hedland RSL Sub branch.

Play and Learn historically occupied the South Hedland TAFE campus by way of lease. That lease expired in March 2015 however Department of Training Workforce Development extended the agreement until 31 December 2016, at which time Play and Learn decided to close the facility. Correspondence to Play and Learn WA, from the Town in March 2015 indicates an agreement of an offer of first right of refusal over the portion should they wish to develop the site for the permitted purpose of child care centre. Currently no organisation has contacted the town to commence construction at the site.

In reviewing facility options, initially the Town investigated the immunisation clinic across from the Len Taplin facility, albeit the space was small and the structure temporary. It was determined that this size space could accommodate for eight (8) 0-2 year children, providing minimal relief on the extensive wait list experienced across the Town. On further investigation of facility options, officers identified the potential usage of the defunct South Hedland TAFE Campus child care building and the repurposing of Port Hedland Library

South Hedland TAFE Campus Child care Building

The South Hedland TAFE Campus is currently decommissioned with the Department of Training and Workforce Development in discussions with the Town on options of how they can dispose or repurpose the asset. Located on the site is the previous child care facility used by South Hedland TAFE, which although requires some maintenance and renewal works, would be an appropriate facility to resume a child care service from.

The air conditioning is currently part of the entire South Hedland TAFE campus and is to be decommissioned in the near future. The Town engaged a contractor to attend the South Hedland TAFE building in order to ascertain the costs and preferred method of separating the Child Care from the rest of the facility so it can stand alone.

The purpose of the report was to provide the Town an observation, report and recommendations on the HVAC mechanical plan serving the Child Care area at the South Hedland TAFE.
An inspection indicates the below state of the unit:

- Unit is unable to be run due to controls being removed. Potential due to the unit being decommissions by the Department;
- Fan blower barrel is in ok condition;
- The return air chamber is very dirty and in average/poor condition; and,
- The fresh air intake is in average condition. It is very dirty and controls operated.

Initial cost estimates to install a new ducted air conditioning system to the child care building is approximately $160,000. Installation of split systems to service this building have not been recommended at this present time.

The South Hedland TAFE building has been sitting dormant for a period of approximately four years. As such the facility is in need of some works to bring it to a point where it could be activated for purpose once more.

The Town engaged a local contractor to provide indicative costs for works to bring the facility to compliant and renew wet areas with required tiling.

The contractor has allowed for re-tiling wet areas and removal old bench tops that are installed in several rooms within the facility. Indicative costs came to $93,000 with additional works required to being the kitchen to compliance (stainless steel per AS4675-400 – Design Construction and fit out of food premises) of approximately $75,000.

Costs for renewal/upgrade works as below:

<table>
<thead>
<tr>
<th>South Hedland TAFE</th>
<th>Indicative Costs</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>HVAC Replacement</td>
<td>$160,000</td>
<td>3-6 Months from RFQ award</td>
</tr>
<tr>
<td>Building works</td>
<td>$93,000</td>
<td>4-6 weeks from RFQ award</td>
</tr>
<tr>
<td>Replacement kitchen</td>
<td>$75,000</td>
<td>4-6 weeks from RFQ award</td>
</tr>
<tr>
<td>Full Clean</td>
<td>$10,000</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>$338,000</td>
<td></td>
</tr>
</tbody>
</table>

The roof was inspected and found to be in good condition with no works required. No plumber or electrician was engaged to provide reports at this stage.

The Town is currently in discussions with the Department of Training and Workforce Development on tenure options for this space, which may include the conferral of a management order for a portion of the South Hedland TAFE site to the Town, to enable the Town to lease this facility out to an interested party. However to facilitate this option, the Department of Training and Workforce Development would need to subdivide a suitable portion of land comprising the child care centre and provide services (power, water and sewer) to each subdivided portion of land. In particular the provision of electricity connections for each subdivided lot may be a substantial cost that the Department of Training and Workforce Development are seeking the Town’s contribution for, to facilitate this proposal.
As this facility is currently vacant and on initial inspection requires minimal refurbishment it is best placed to address the immediate child care shortage that the Town is currently experiencing.

*Port Hedland Library*

The Port Hedland Library has been identified as a potential site for an additional child care facility for the town. As the centre is located in close proximity to the Len Taplin child care facility, operated by One Tree Community Service, this facility could directly support the current waitlist by opening up to 30 spaces within the 0-2 year age group. It is noted that there is a perceived community demand for extra child care services located in Port Hedland.

The Town engaged the same contractor to complete an inspection of the Port Hedland Library and provide indicative costs for the potential activation of this space, as an additional child care opportunity.

The contractor has accounted for new flooring in wet areas and some minor aesthetic improvement opportunities. The unisex bathroom already has small junior facilities installed however new flooring and border tiling would improve the space.

The current automatic door could be managed by exit button into a fenced area at the front of the Library which would allow for security of the children. The current front area would require small works to remove a dangerous plant on the southern side and replace a garden bed with grass and reticulation however the current layout would suit for the most part.

<table>
<thead>
<tr>
<th>Port Hedland Library</th>
<th>Item</th>
<th>Cost</th>
<th>Timeframe for TOPH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building works</td>
<td>$ 70,000.00</td>
<td>4-6 weeks form RFQ award</td>
<td></td>
</tr>
<tr>
<td>Fencing</td>
<td>$ 22,000.00</td>
<td>4-6 weeks form RFQ award</td>
<td></td>
</tr>
<tr>
<td>Gardening</td>
<td>$ 25,000.00</td>
<td>4-6 weeks form RFQ award</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$117,000.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Air conditioning at the facility is suitable and no works would be required. The roof sheeting may have minor works however the structure is sound.

In acknowledging that library services will still need to be delivered to Port Hedland residents, below is a listing of potential alternative service options that could be implemented in addition to the new digital Library Management System due to go live Q2 2019:

- A housebound service to those in the community who hold pension and/or health cards;
- Drop box/return chute option and a “Click and collect” service based at the Civic Centre; and
- Activities (e.g. Story Time, Rhyme Time, OWLS) to be held throughout the year utilising parks and buildings in Port Hedland.
Management options and potential service operators

The most appropriate management model for the operation of a child care service would be under either a mid or long term lease or a facility management contract. It is not recommended for the town to in-house manage this service as this is not seen as a core function of local government and the town lacking the skills and expertise necessary for operating within this highly regulated industry.

Under a lease scenario the town would have reduced oversight and input into the business operations, particularly useful influencing the provider to address a community demand is required. The leased management model does benefit from a conservative financial risk perspective, with a set rental yield and expenses limited to maintenance and renewal works.

The facility management contract option would allow for greater oversight of business operations, at the expense of the commercial viability of the business, potentially operating at a cost to the town.

With such strong service demand and business interest it may not be necessary to require the extra controls provided through a facility management contract and a lease option would be sufficient.

One Tree Community Services have initially approached the Town to seek support for a new facility which would provide space to service their increasing waitlist. Subsequently, other industry organisations would potentially be interested in the opportunity to lease an appropriate child care facility and it is recommended that if the town was to lease out a facility it will be let to market through an Expression of Interest process.

Either facility option would be disposed to the group in accordance with current market rates for leasing equivalent spaces.

LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 ‘Significant Decision Making’, this matter is considered to be of low significance, due to requiring further detail for Council to make an informed decision.

CONSULTATION

Internal
The following internal business units have been consulted with in the preparation of this report:

- Facilities
- Town Planning
- Property Management
**External Agencies**

Initial discussions have commenced with a potential Lessee, One Tree Community Services as they have expressed interest in operating a child care service from a Town facility through a lease arrangement.

Officers have contacted local community church organisations including C3 Port Hedland, St Mathew’s Anglican and St Cecilia’s Catholic Church to gauge interests in supporting child care services from within their respective facilities. Currently, St Cecilia’s Catholic Church has expressed some interest with this possibility, whilst C3 Port Hedland are also interested to see how this service can integrate in a new building development.

Officers have also had positive discussions regarding joint funding opportunities with local industry to help support any infrastructure costs associated with the above proposed options.

**Community**

The Town has received numerous letters outlining the shortage across the community for child care services.

**LEGISLATION AND POLICY CONSIDERATIONS**

Nil

**FINANCIAL AND RESOURCES IMPLICATIONS**

Officers require further investigation on project costs particularly for the South Hedland TAFE child care building as costs associated with the connection of services (power, water and sewer) are currently unknown and could be significant. Initial reports for the refurbishment of internal structure to the South Hedland TAFE Campus child care building is approximately $338,000.

It is estimated that works to repurpose the Port Hedland Library as a child care service would cost approximately $117,000.

Officers are in discussion with industry to see how the funding of this capital refurbishment can be supported.
The following sections of the Council’s Strategic Community Plan 2018-2028 are applicable in the consideration of this item:

1.a.1 Stakeholders are engaged to develop a whole of town approach to increase accessibility to quality health and wellbeing services

1.a.6 Town-wide health, safety, recreation and sporting activities and services

1.b.2 A residential workforce is promoted to industry as the preferred option promoted

1.d.1 The present and future facilities and requirements of the Town are planned for and developed in-line with relevant facility standards and community needs

1.d.2 Facilities and community infrastructure are revitalised across the Town

1.d.3 Facilities and community infrastructure are well maintained, managed and fit for purpose to provide a range of lifestyle opportunities

2.c.1 Business and government agencies and other relevant stakeholders are engaged to:
   • Identify strategic employment and economic development priorities
   • Assess and address market failures affecting the cost of living
   • Assess and address cost of doing business challenges

2.c.3 Local procurement is prioritised and promoted across industry and agencies

2.d.1 Investment in key infrastructure development such as the port and logistics is pursued

2.d.2 The development of industry specific value chains are encouraged and supported

3.b.5 The protection and valuing of amenities and urban space is enhanced through community engagement

4.c.1 High quality and responsive customer service is provided

4.c.2 Community members, business and tourists are engaged to provide feedback about local facilities and services

4.c.4 Efficiency strategies across the Town’s infrastructure and amenity assets are implemented

Environmental

Nil

Economic

Minimal economic disruption to existing service providers should occur as part of the Town providing facility access to address the child care shortage as the demand for placements far exceeds current supply. Competitive neutrality and market rental rates will need to be considered in developing the lease agreement.
Social

The community is currently experiencing a child care shortage and the negative impact has been communicated widely through social media and a subsequent notice of motion on 26 September 2018. Although operating a child care service is not recognised as a core function of local government, failure to support industry in addressing this community demand can create further community discontent and increased strain on family lifestyles of our residents.

RISK MANAGEMENT CONSIDERATIONS

There is a reputational risk associated with this item due to the impact to the liveability reputation of the town and media exposure. The risk rating is considered to be medium, which is determined by a likelihood of possible and a consequence of a moderate risk.

To reduce this risk, it is recommended that the viability of the defunct TAFE child care building and the repurposing of Port Hedland Library be investigated further and discussions continue with interested child care service providers on the management of town facilities.

OPTIONS

Option 1 – Adopt officer’s recommendation

Option 2 – Amend officer’s recommendation

Option 3 – Do not adopt officer’s recommendation

CONCLUSION

Currently the Town has two immediate facility options that address the ongoing shortage of child care services within the town, these being the reactivation of the defunct South Hedland TAFE Campus child care building and the repurposing of Port Hedland Library.

It is recommended that officers consult with the community further to identify child care service demand, investigate in detail the South Hedland TAFE Campus child care building and the repurposing of the Port Hedland Library as alternate child care venues for lease, investigate the expansion capability of existing providers and return to Council with a business case report with recommendations.

ATTACHMENTS

Nil