

Michelle Read

Planning for communities

# Feasibility Impact Study

## Co-location of Kindergartens at Toora and Welshpool

Prepared for the South Gippsland Shire Council

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Appendix A: Detailed Economic Impact Assessment  
(Provided as a separate attachment)

## Executive Summary

Over recent years Council has considered several options for the future provision of kindergarten infrastructure in Toora and Welshpool. This has occurred because of the age and functionality of the buildings, changes to the service model for kindergarten in the Corner Inlet, and the consistently low enrolments in the kindergarten service delivered from Toora and Welshpool. While the future need / demand for kindergarten infrastructure has previously been assessed, this Study has been commissioned to provide an independent evaluation of the following options:

<b>SCENARIO 1</b> <b>Co-location of kindergarten infrastructure at Toora Primary School and close kindergarten infrastructure in Welshpool</b>	<b>Option 1a:</b> A new modular structure is built at Toora Primary School, with no increase in the licence capacity of the service (22) and no additional facilities.
	<b>Option 1b:</b> A new modular structure is built at Toora Primary School with an increase in the licence capacity to 28 and additional facilities including a multipurpose activity space and 2 multipurpose consulting suites are developed.
	<b>Option 1c:</b> The kindergarten is partially accommodated in existing school infrastructure at Toora Primary School, with no increase in the existing licence capacity of the service (22) and no additional facilities.

<b>SCENARIO 2</b> <b>Co-location of kindergarten infrastructure at Welshpool and District Primary School and close kindergarten infrastructure in Toora</b>	<b>Option 2a:</b> A new modular structure is built at Welshpool and District Primary School, with no increase in the licence capacity of the service (22) and no additional facilities.
	<b>Option 2b:</b> A new modular structure is built at Welshpool and District Primary School with an increase in the licence capacity to 28 and additional facilities including a multipurpose activity space and 2 multipurpose consulting suites are developed.

**Scenario / Option 3: Co-location of kindergarten infrastructure at both Toora Primary School and Welshpool and District Primary School but with no increase in the existing licence capacity of the service (22) and no additional facilities.**

The study has examined the following:

- The existing kindergarten infrastructure and service model
- Relevant Council priorities

- The capacity of the school sites and condition of the existing infrastructure
- The current and future demand for kindergarten services in Toora and Welshpool
- The make-up and capacity of the Toora and Welshpool communities
- Opportunities for service synergies
- Possible governance and management arrangements
- The economic impact of each option on Toora and Welshpool.
- The impact of each option upon the financial viability of PCCC
- The capital investment required.

**NOTE:** The capital costs provided in this study are high level only. Their purpose is to provide comparative information about the likely capital investment required for each option. The costings **should not be relied upon for budgeting purposes** as they are based upon generic square meterage rates. Once Council has determined its preferred direction, concept plans and more detailed costings **must be** developed to provide more accurate and reliable information about the actual capital investment required for the preferred option.

The information outlined above has informed an options analysis which considers the relative merit of each option and identifies a preferred option. To facilitate this, a series of criteria were identified and tested with Council officers and members of the PCCC. Through these discussions it was agreed some of criteria were of higher importance or priority than others. The Primary Criteria (those considered to be of highest importance or priority) are:

1. The current and future demand for 3 and 4-year-old kindergarten services in Toora and Welshpool will be addressed.
2. The site has good capacity to accommodate kindergarten infrastructure and the existing infrastructure on the site is in good condition.
3. The financial viability of Prom Coast Centre for Children is not negatively impacted.
4. The capacity of the community will not be negatively impacted and will be strengthened by the option.

The Secondary Criteria (those considered to be of lower importance or priority) are:

5. Consistency with Council's priorities for the community and community infrastructure.
6. There is a good range of services available close to the kindergarten service.
7. There are good opportunities for synergies between the kindergarten and other service providers including the primary schools and opportunities to extend the service offerings available to the community are created.

8. The governance and management arrangements will be reasonably straight forward and achievable.
9. The economic impact of the various options upon the Toora and Welshpool townships have to be at least neutral in terms of economic impact to the township over a 10-year period, i.e. no decrease in employment in the township.

Each option has been assessed against the Primary and Secondary Criteria before the capital investment costs have been considered. The criteria in relation to capital expenditure is as follows:

10. The capital investment required by Council is reasonable and there is good opportunity to access additional funding such as through State Government grants or through the sale of existing kindergarten infrastructure.

### Findings of the Options Analysis

Overall, the analysis indicates that **Option 1b** (*building new modular infrastructure at Toora Primary School with increased licence capacity to 28, a multipurpose activity space and 2 consulting suites*) is the preferred option because it most closely meets the requirements of the criterion. Under this option:

- Three of the four primary criteria are fully met
- Three of the five secondary criteria are fully met, and the remaining two are partially met
- The requirements of the capital investment criteria are not met, however none of the options fully meet this criteria. The capital investment required for the site is significant (an estimated \$1,170,000), however the investment will deliver a fundamentally different and vastly improved service for the Toora and Welshpool communities with significantly increased opportunity to deliver education programs for children and adults, along with allied health and family support services.

Other options identified that may have some merit are options 1a, 2a and 3 because two of the four primary criteria are fully met in each of these options. However, **Option 3** (*Co-location of kindergarten infrastructure at both Toora and Welshpool Primary Schools, but no increase in the existing licence capacity of the service (22) and no additional facilities*) most closely meets the requirements of the secondary criteria therefore placing it above options 1a and 2a. Under option 3:

- Two of the five secondary criteria are fully met and the remaining three are partially met.
- The requirements of the capital investment criteria are not met, however as noted above, none of the options fully meet this criteria. The capital investment required for this option is the highest of all options and is estimated to be \$1,374,000.

Option 3 is the only option that will not negatively impact upon the capacity of the communities as kindergarten services will be retained in both Toora and Welshpool through the development of new kindergarten infrastructure at the Toora and Welshpool Primary Schools.

A key drawback of this option is the extent of capital investment required and the significant lack of opportunity to secure external funding. The low service demand means the State Government will not support investing in new infrastructure in both townships. In addition, the demand for early years services is higher in other parts of the South Gippsland community, placing Council in the difficult position of having to prioritise projects in communities where the service demand and community need is highest. These factors suggest there may be merit investigating alternate options which involve retaining and upgrading some or all the existing kindergarten infrastructure in Toora and Welshpool, to extend the life of one or both buildings.

A colour coded high-level indication of the outcomes from the analysis is provided on the following page. The colour coding system has been applied as follows:

Green	The analysis shows this option will fully or almost fully address the criteria.
Orange	The analysis shows this option will partially address the criteria.
Red	The analysis shows this option will not or is unlikely to address this criteria.



Attachment 4.1.1		Agenda - 28 August 2019				
Criteria	Option 1a	Option 1b	Option 1c	Option 2a	Option 2b	Option 3
		New modular structure built at Toora Primary School, with no increase in the licence capacity of the service (22) and no additional facilities	New modular structure built at Toora Primary School with increased licence capacity to 28, a multipurpose activity space and 2 consulting suites	Kindergarten partially accommodated in existing infrastructure at Toora Primary School, with no increase in the existing licence capacity of the service (22) and no additional facilities	New modular structure built at Welshpool Primary School, with no increase in the existing licence capacity of the service (22) and no additional facilities	New modular structure built at Welshpool Primary School with increased licence capacity to 28, a multipurpose activity space and 2 consulting suites
<b>Primary Criteria</b>						
• Current and Future Kindergarten Service Demand						
• Site Capacity and Existing Infrastructure						
• Financial Viability Impacts for PCCC						
• Community Capacity and Impacts						
<b>Secondary Criteria</b>						
• Council Priorities						
• Proximity to Services						
• Opportunities for Service Synergies						
• Governance and Management Models						
• Economic Impact Upon the Townships						
<b>Cost Implications</b>						
• Capital Investment Required						

## 1.0 Introduction

Council has considered a number of options for the future provision of kindergarten infrastructure in Toora and Welshpool over the past 4 years. This has been prompted by the aging condition and suitability of existing infrastructure, changes to the service model for kindergarten in the Corner Inlet, and consistently low enrolment numbers for the kindergarten service delivered from Toora and Welshpool. While Council has previously assessed the future need / demand for kindergarten infrastructure, this Study has been commissioned to provide an independent evaluation of the following options:

<b>SCENARIO 1</b> <b>Co-location of kindergarten infrastructure at Toora Primary School and close kindergarten infrastructure in Welshpool</b>	<b>Option 1a:</b> A new modular structure is built at Toora Primary School, with no increase in the licence capacity of the service (22) and no additional facilities.
	<b>Option 1b:</b> A new modular structure is built at Toora Primary School with an increase in the licence capacity to 28 and additional facilities including a multipurpose activity space and 2 multipurpose consulting suites are developed.
	<b>Option 1c:</b> The kindergarten is partially accommodated in existing school infrastructure at Toora Primary School, with no increase in the existing licence capacity of the service (22) and no additional facilities.

<b>SCENARIO 2</b> <b>Co-location of kindergarten infrastructure at Welshpool and District Primary School and close kindergarten infrastructure in Toora</b>	<b>Option 2a:</b> A new modular structure is built at Welshpool and District Primary School, with no increase in the licence capacity of the service (22) and no additional facilities.
	<b>Option 2b:</b> A new modular structure is built at Welshpool and District Primary School with an increase in the licence capacity to 28 and additional facilities including a multipurpose activity space and 2 multipurpose consulting suites are developed.

**Scenario / Option 3: Co-location of kindergarten infrastructure at both Toora Primary School and Welshpool and District Primary School but with no increase in the existing licence capacity of the service (22) and no additional facilities.**

This report outlines the findings from the Study and includes:

- Detailed information about the existing kindergarten infrastructure and service model, relevant Council priorities, the capacity of the school sites and condition of the existing infrastructure, the current and future demand for kindergarten services in Toora and Welshpool, the make-up and capacity of the Toora and Welshpool communities, opportunities for service synergies, possible governance and management arrangements and the capital investment required.
- An economic impact assessment of the options.
- An assessment of the financial impact on PCCC of the options.
- An options analysis which considers the relative merit of each option and identifies a preferred option.

Information for the Study has been gathered through consultation with key stakeholders, examining current and historical enrolment data and the demographic profile of the local communities, reviewing previous reports and research about the kindergarten services and community need in the Corner Inlet, visitations to the sites, and information from Council officers and members of the PCCC.

### **1.1 Existing Kindergarten Services and Infrastructure**

Currently both Toora and Welshpool townships have kindergarten infrastructure. Prom Coast Centre for Children (PCCC) operates a joint 3 and 4-year-old kindergarten program from the townships on a fortnightly rotational basis. This means the kindergarten program operates 2 days a fortnight in Toora and the alternate fortnight 2 days in Welshpool. The same children attend both kindergartens.

The 3-year-old kindergarten program is integrated as part of the 4-year-old kindergarten program which means children participate in the 4-year-old kindergarten program for 5 hours per week. These hours are fixed. Enrolments for 3-year-old kindergarten are assessed annually and generally capped at 5, as the priority is the funded 4-year-old kindergarten and because of the high level of need amongst children participating in both the 3 and 4-year-old program at Toora / Welshpool.

The kindergarten facilities at Welshpool and Toora were built in 1965 and 1970 respectively. While the infrastructure is considered to generally be sound, its functionality and ability to meet contemporary service standards, particularly in relation to the National Quality Framework is compromised. In addition, the cost to maintain the facilities is increasing and will continue to rise without substantial investment.



*Welshpool Kindergarten, January 2019*



*Toora Kindergarten, January 2019*

## 2.0 Council's Priorities

The Council Plan 2017 – 2021 (revised) articulates Council's vision for South Gippsland to be a place where quality of life and sense of community are balanced by sustainable and sensitive development, population and economic growth. The Plan highlights Council's commitment to ensuring communities are supported through appropriate and relevant services. Key strategies supporting the Council Plan are the Health and Wellbeing Plan, Children and Families Plan, and Blueprint for Social Community Infrastructure.

Priorities from these strategies that are important to consider in developing the feasibility study for the Toora / Welshpool Kindergarten are:

- Improving the function of Council-owned single use facilities in partnership with the community
- Supporting the development of smaller multi-purpose social infrastructure projects in smaller towns, villages and hamlets through the development of a business case which also includes funding sources
- For community hubs to incorporate a range of compatible groups and functions, be designed with ultimate flexibility in order to cater for more than one concurrent activity and may incorporate a commercial component
- Equal access and inclusion for children and families
- Collaborative partnerships that support children and families.

### 3.0 Capacity of the Sites and Existing Infrastructure

<b>Toora Kindergarten – Cnr of Gray and Dutton Streets Toora</b>	
Licensed Capacity	22 Places
Age of Infrastructure	49 years old
Infrastructure Condition and Lifespan	Overall the infrastructure is considered be sound, however there are some ongoing maintenance issues with the brickwork and plumbing. In addition, the functionality and ability of the infrastructure to meet contemporary service standards, particularly in relation to the National Quality Framework is compromised because of its age, layout and condition.
Size / Capacity of the site	<p>The site is estimated to be 971 metres squared, with the building accounting for an estimated 145 square metres and the playground accounting for 200 square metres. The remaining space fronting Gray Street comprises garden space which is not used by the kindergarten service.</p> <p>Any expansion to the building would most likely be accommodated on the Gray Street frontage.</p>
Car Parking and access	Extensive on and off-street car parking is available and there is good access to the site.
Services	Services (sewerage, electricity, gas, water, telecommunications) are fully accessible and operational on the site because of its current function as a kindergarten.
Proximity to other Services	The Kindergarten is located two blocks west of Toora Primary School and two blocks east of the main retail strip.
Extent of Use	The Kindergarten building is used 2 days per fortnight by the PCCC to conduct a 3 and 4year old kindergarten program. It receives little or no other use.
Capacity to Meet Future Service Demand	<p>The existing infrastructure has the capacity to accommodate separate 3 and 4-year-old kindergarten programs catering for up to 22 children in each program. The current serviced demand indicates the number of children likely to be participating in each program is 13 – 14 children.</p> <p>If PCCC wanted to offer a fully integrated 3- and 4-year old kindergarten program i.e. 1 program catering for up to 28 children, the existing infrastructure could not support this.</p> <p>The existing infrastructure would most likely need to be upgraded to support before and after school care for primary school aged children.</p>
Opportunity to accommodate additional infrastructure on site	The site has some capacity to accommodate additional infrastructure, including a larger classroom and consulting suites and possibly a multipurpose activity space.

<b>Welshpool Kindergarten – South Gippsland Highway Welshpool</b>	
Licensed Capacity	23 Places
Age of Infrastructure	54 years old
Infrastructure Condition and Lifespan	Overall the infrastructure is in poorer condition than Toora Kindergarten. In addition, the functionality and ability of the infrastructure to meet contemporary service standards, particularly in relation to the National Quality Framework is very compromised because of its age, layout and condition. Kitchen, office and toilet facilities in particular are very basic.
Size / Capacity of the site	<p>The site is estimated to be 858 square metres, with the building accounting for an estimated 160 square metres and the playground accounting for 200 square metres. The remaining space fronting South Gippsland Highway comprises front garden space which is not used by the kindergarten service.</p> <p>It is a long narrow site with no capacity to expand the building to the east or west. Any addition to the building would need to be at the northern or southern ends of the building.</p>
Car Parking and access	Good on street car parking is available and there is good physical access to the site from both the front and rear.
Services	Services (sewerage, electricity, gas, water, telecommunications) are fully accessible and operational on the site because of its current function as a kindergarten.
Proximity to other Services	The Kindergarten is located in the main retail strip of Welshpool opposite the Rural Transaction Centre, post office and general store.
Extent of Use	The Kindergarten building is used 2 days per fortnight by the PCCC to conduct a 3 and 4year old kindergarten program. It receives little or no other use.
Capacity to Meet Future Service Demand	<p>The existing infrastructure has the capacity to accommodate separate 3 and 4-year-old kindergarten programs catering for up to 23 children in each program. The current serviced demand indicates the number of children likely to be participating in each program is 13 – 14 children.</p> <p>If PCCC wanted to offer a fully integrated 3- and 4-year old kindergarten program i.e. 1 program catering for up to 28 children, the existing infrastructure could not support this.</p> <p>The existing infrastructure would most likely need to be upgraded to support before and after school care for primary school aged children.</p>
Opportunity to accommodate additional infrastructure on site	The site has some capacity to accommodate additional infrastructure, including a larger classroom and consulting suites and possibly a multipurpose activity space, although the narrowness of the site may make difficult to accommodate all of this infrastructure.

<b>Toora Primary School – Harriett Street Toora</b>	
Licensed Capacity	The school has capacity to cater for around 90 students
Age of Infrastructure	9 years old
Infrastructure Condition and Lifespan	<p>The existing infrastructure is in near new condition, with the school completely rebuilt in 2009. The school features multiple classrooms linked via a central break out area. Classrooms can also be joined together or operate as smaller spaces depending upon student / teaching needs.</p> <p>In addition, a multipurpose indoor stadium was constructed at around the same time.</p>
Size / Capacity of the site	<p>The school is effectively located on two sites, either side of a roadway which has been closed to through vehicle traffic. The main school building, office and playground facilities are on one side of the road and a multipurpose indoor stadium, oval and car park are on the other side.</p> <p>Overall the site is estimated to be over 16,000 square metres with the office and classroom building and the indoor stadium taking up only a small portion of the site.</p> <p>The site has substantial capacity to accommodate additional infrastructure.</p>
Car Parking and access	Good on and off-street car parking is available and there is good physical access to the site via several frontages.
Services	Services (sewerage, electricity, gas, water, telecommunications) are fully accessible and operational on the site because of its current function as a School.
Proximity to other Services	The School is located just off the South Gippsland Highway and 4 blocks from the main retail strip of Toora.
Extent of Use	<p>The main school building (classrooms and office) are used every day of the week during school terms for teaching, and one day a week for a program run by Manna Gum Community House.</p> <p>The indoor stadium receives limited use by the school and moderate levels of use outside school hours by community organisations.</p>
Capacity to Meet Future Service Demand	The existing infrastructure has the capacity to accommodate significantly increased student numbers. Currently 35 students are enrolled, and the school has capacity for around 90 students. Student enrolments have remained at or below this level for some time and are likely to remain around this level or lower based on the population projections and the continued operation of both Welshpool and Toora Primary Schools.
Opportunity to locate kindergarten infrastructure on site	<p><b>Option 1</b></p> <p>The site presents a possible opportunity to locate kindergarten services within existing infrastructure (in the library / art room), with some additions including dedicated toilet and playground</p>



	<p>facilities. This approach is only likely to be possible if the kindergarten service operates 2 days a week because of existing programs and commitments the school has.</p> <p>Under this approach it is unlikely a multipurpose activity space or consulting rooms could be integrated into the development. The location of a water tank below ground level on the east side of the main building is also likely to add to the capital investment required because it would most likely need to be moved to accommodate playground facilities.</p> <p><b>Option 2</b></p> <p>There is ample space to locate a separate building on the site to accommodate a kindergarten classroom, toilet facilities, a separate multipurpose activity space, consulting suites and playground. This approach is a less integrated model and some investigation will be required to determine the most appropriate site to locate the infrastructure. The area near the existing car park and indoor stadium has been identified as a possible site, however the oak trees in this area may increase the capital investment required.</p>
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<b>Welshpool and District Primary School – South Gippsland Highway</b>	
Licensed Capacity	The school has capacity to cater for around 50 students.
Age of Infrastructure	The infrastructure is of varying ages. The original school building is many years old, the modular facilities were constructed in the last 10 years and the age of the indoor sports court and toilet block is unknown.
Infrastructure Condition and Lifespan	The existing infrastructure is in variable condition. There are some functional challenges with the original school building which includes office facilities, a meeting room and kitchen facilities. The modular facilities support 2 classrooms, are in good condition and are functional. The indoor sports court and toilet block are in poor condition.
Size / Capacity of the site	<p>Overall the site is estimated to be nearly 25,000 square metres. The main school buildings are located on the front part of the site close to South Gippsland Highway.</p> <p>There is a clear space on the west side of the modular classroom to accommodate additional infrastructure and with good proximity to the car park.</p> <p>While there is significant space towards the back of the site, this has minimal relationship to the existing infrastructure and poor access.</p>
Car Parking and access	The school has off street car parking at the front of the school on South Gippsland Highway. There is good access for construction purposes from South Gippsland Highway.

Services	Services (sewerage, electricity, gas, water, telecommunications) are fully accessible and operational on the site because of its current function as a School.
Proximity to other Services	The School is located just off the South Gippsland Highway around 1km from the main retail area.
Extent of Use	The main school building (classrooms and office) are used every day of the week during school terms for teaching, and occasionally for community activities.  The indoor sports court receives limited use by the school only.
Capacity to Meet Future Service Demand	Currently the school has 35 students enrolled and the existing infrastructure has the capacity to accommodate around 50 students. Student enrolments have remained at or below this level for some time and are likely to remain around this level or lower based on the population projections and the continued operation of both Welshpool and Toora Primary Schools.
Opportunity to locate kindergarten infrastructure on site	There is no opportunity to use existing infrastructure on the site to accommodate kindergarten services, however there is space to accommodate additional infrastructure including classroom facilities, toilets, a multipurpose activity space, consulting suites and play facilities. The facilities could either be fully integrated with existing modular classrooms or be developed separately but alongside the modular classrooms.

## 4.0 Current and Future Kindergarten Service Demand

The existing and future demand for 4-year-old kindergarten services in Toora and Welshpool is moderate and consistent, and this is unlikely to change in the foreseeable future. This assessment has been made because:

- The population size has remained consistent in Toora and Welshpool, and the wider South East Coastal District (includes Fish Creek, Foster, Waratah Bay, Wilsons Promontory) between 2006 and 2016, and only a small increase (8 percent) is projected for the area between 2016 and 2036<sup>1</sup>
- The number of children aged between 0 and 4 years is projected to decline from 260 in 2016 to 221 in 2026 and remain around this level through to 2036.<sup>2</sup> It is noted the number of children in this age cohort grew from 199 to 260 between 2011 and 2016, and the number of birth notifications in the South East Coastal District were higher than the Census data, particularly in Welshpool and surrounds, Toora and surrounds and Foster.<sup>3</sup> This has seen an increase in demand for kindergarten service in Foster and Fish Creek occur, however very little increase in Toora and Welshpool. The increase in demand is also related to the availability of long day childcare in association with the kindergarten service in Foster, and the unique kindergarten program offered at Fish Creek.
- Enrolments in 4-year-old kindergarten at Toora / Welshpool consistently remained between 10 and 14 children from 2014 – 2018. In 2019, enrolments increased slightly to 16 children.

The existing demand for 3-year-old kindergarten services in Toora and Welshpool is low with between 0 and 5 children enrolled in the Toora / Welshpool 3-year-old kindergarten program between 2012 and 2018. This demand will however change, with the introduction of 15 hours of funded 3-year-old kindergarten by the Victorian State Government. South Gippsland Shire is one of the first municipalities where access to funded 3-year-old kindergarten will be rolled out (in 2020).

- The current and projected population size of the 0 - 4 cohort indicates demand for 3-year-old kindergarten will be similar to 4-year-old kindergarten i.e. 10 – 14 children per annum.
- As noted previously, the existing 3-year-old kindergarten program is integrated with the 4-year-old program. This arrangement will not be able to continue with the existing infrastructure which can cater for a maximum of 23 children at Welshpool Kindergarten and 22 children at Toora Kindergarten i.e. if there are 14 children enrolled in 3-year-old kinder and 14 enrolled in 4-year-old kindergarten, neither the Toora and Welshpool Kindergartens in their existing form can cater for this number of children.

Overall, in the foreseeable future, the demand for 3 and 4-year-old kindergarten is likely to be between 20 and 28 children. These numbers indicate that if kindergarten facilities did not currently

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<sup>1</sup> Profile.id, South Gippsland Shire Council Population Forecast. Available online:

<http://profile.id.com.au/southgippsland/>

<sup>2</sup> Profile.id, South Gippsland Shire Council Community Profile and Population Forecast. Available online:

<http://profile.id.com.au/southgippsland/>

<sup>3</sup> South Gippsland Shire Council, 2018, Early years Infrastructure Review Corner Inlet: Updated Demographic Report 2018

exist in both Toora and Welshpool, there is only sufficient demand for kindergarten services in one of the townships.

#### 4.1 Demand Summary

	3-Year-Old Kindergarten	4-Year-Old Kindergarten
Existing Annual Demand	0 – 5 children	10 – 16 children
Future Annual demand	10 – 14 children	10 – 14 children

*Table 4.1: Existing annual demand and estimated future demand for 3 and 4-year-old kindergarten in Toora / Welshpool, March 2019*

## 5.0 Community Capacity and Impacts

### 5.1 A Community Experiencing Disadvantage

The South East Coastal District is characterised by:

- Increasing rates of unemployment<sup>4</sup>
- Low education levels. Overall, 41.3 percent of the population in the South East Coastal District has below year 11 schooling, which is higher than South Gippsland and regional Victoria. In some parts of the Toora / Welshpool Kindergarten catchment, up to 44 percent of the community have below year 11 schooling<sup>5</sup>
- High levels of disadvantage with<sup>6</sup>:
  - Between 30 and 33 percent of households in the Toora / Welshpool Kindergarten catchment being low income households. This is higher than the wider South East Coastal District and notably higher than wider South Gippsland Shire.
  - High levels of housing stress (households spending more than 30 percent of their weekly income on housing costs), particularly around Toora and Welshpool.
- Low levels of home internet connection. In total 21.2 percent of homes in Toora do not have a home internet connection and 25 percent in Welshpool, compared with 17.8 percent for South Gippsland Shire and 18.1 percent for regional Victoria. This means significant parts of the community are potentially being locked out of online services and supports.

Also of note is the proportion of children who are developmentally vulnerable on 2 or more domains (8.3 percent) in South Gippsland Shire. While the data is only available at a municipal level, it reinforces concerns about the levels of vulnerability and disadvantage in the South East Coastal District. The proportion of children vulnerable on 2 or more domains in South Gippsland did not improve between 2009 and 2015 and remains higher than the Victorian State average (9.9 percent).

Stakeholder organisations affirmed this data through sharing information about the levels of disadvantage they see when working with different parts of the community, and their genuine concern that ceasing to operate kindergarten services in either Toora or Welshpool will exacerbate this disadvantage further.

### 5.2 Transport

One factor raised by service providers about having a kindergarten service in only one of the townships is that it will require some families to travel further to access services. While families already travel to access the service because it alternates on a fortnightly basis between the two townships, discussions

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<sup>4</sup> Profile.id, South Gippsland Shire Council Social Atlas. Available online: <http://profile.id.com.au/southgippsland/>

<sup>5</sup> Profile.id, South Gippsland Shire Council Social Atlas. Available online: <http://profile.id.com.au/southgippsland/>

<sup>6</sup> Profile.id, South Gippsland Shire Council Social Atlas. Available online: <http://profile.id.com.au/southgippsland/>

with PCCC identified there some families who rely upon informal arrangements with other families to ensure their children access kindergarten on the weeks it operates away from their home town. While only a small number, these families and children are at risk of not being able to access kindergarten services if services are consolidated to one township. Alternate transport options would need to be considered to ensure this does not occur.

### 5.3 School Viability

A key concern raised by both the Toora and Welshpool Primary Schools is that closure of the kindergarten service in either township will have a negative impact on the viability of the school in that town with reduced enrolments and possible closure of the school. Currently, children attending the Welshpool / Toora Kindergarten program generally enrol in the school closest to their home i.e. if they live closest to Toora, they will usually enrol in the Toora Primary School. The schools believe this is driven by several factors including proximity to home, the social connections between families and children from kindergarten and the transition program the schools can offer to the children and families. Currently both schools can easily and effectively support a transition to school program for the kindergarten children, because the service is within walking distance of both schools. If the kindergarten service ceases to operate in either township, the schools will not be able to offer the same type of transition program, and this will impact upon the decision families make about where to send their child to school. In addition, there is a natural progression for families to send their child to school in the town where they attend kindergarten because of the social connections between children and families.

Overall the schools believe families will be more inclined to access a school where a kindergarten service is located which will mean reduced prep enrolments for the school located in the town where there is no kindergarten service, and over time will result in declining enrolments for the school and possible closure. This in turn will have a significant impact upon the viability of the township, as the availability of core services like kindergartens and schools are key factors influencing people's decisions about moving to towns and / or continuing to live in towns like Toora and Welshpool.

By contrast where a kindergarten service remains, the viability of the school and township is likely to be strengthened.

The schools identified two possible strategies to mitigate the impact of losing the kindergarten service in one of the townships. One was to lobby the education department to zone the schools, so that children are required to attend the school closest to where they live. A second strategy was to actively seek to operate a kindergarten service as part of the school, if kindergarten services were not otherwise available in the township. Toora Primary School has a strong interest in this, and the school's existing infrastructure with some modification could support this approach.

#### 5.4 Service Impacts for PCCC

PCCC have indicated they believe it will be much harder to predict where families from the Toora and Welshpool area will elect to access kindergarten services, if the service is only available in one of the townships. This is believed to be because most families living in the catchment area of the Toora / Welshpool kindergarten generally access this service, however if families are required to travel, they may be just as happy to travel to Foster or Fish Creek to access kindergarten. The integration of other services with the kindergarten will be a key way of keeping the service attractive to families in the Toora / Welshpool catchment e.g. extended hours of care, maternal child health, immunisation, library services etc.

The financial impacts for PCCC are explored later in this report.

## 6.0 Opportunities for Service Synergies

To identify and understand the validity of service synergies and opportunities that may be possible through locating kindergarten services on one or both of the primary school sites, discussions were held with representatives from

- Prom Coast Centre for Children
- West Gippsland Library Service
- Manna Gum Community House
- Welshpool and District Primary School
- Toora Primary School
- South Gippsland Hospital Community Health Service
- South Gippsland Shire Council.

These discussions identified a wide range of possible synergies and opportunities including:

**Childcare**, specifically extended hours of care for kindergarten children, before and after school care and occasional care. There is some evidence to suggest there is demand for this type of service:

- PCCC currently deliver before and after school care and extended hours of care for kindergarten from the Foster site. PCCC have recently moved the service into a larger space at the Foster Primary School to cater for the growing demand
- Families from Toora and Welshpool are accessing the kindergarten services at Foster because it offers extended hours of care
- Families accessing the Toora / Welshpool kindergarten service frequently collect their children before the session finishes i.e. around school pick up time at 3.30pm. The session operates until 4pm, but without after school care available, families elect to reduce the time their children spend at kindergarten, so they do not have to make multiple trips to collect their children.

**Education programs and initiatives** such as adult education programs, an extension of the Bub Hub program currently delivered through a partnership between Manna Gum Community House and Toora Primary School, programs teaching people how to access online government services, and introduction of a pre-prep program.

- Manna Gum Community House, have identified a particular need in the community for programs that support the development of children in the early years and support their parents both to understand this, and participate in pre-accreditation training opportunities

**Support services for families** such as legal services, family support services, parenting groups and playgroups, Anglicare support programs for parents and children.

**Health services** such as maternal child health, medical services and allied health.



**Library programs and initiatives** including a click and collect library service and regular outreach program.

- This approach is being implemented in Bass Coast in the Corinella community with a click and collect service to operate from the community centre and storytime programs delivered at both the primary school and community centre. The library service has a strong interest in identifying spaces these services could be delivered in Toora and Welshpool.
- Also raised was the opportunity for Bushlink the mobile toy library to operate from a hub type facility.

**Children being able to access the Public Transport Victoria school bus service** to deliver them to kindergarten. Currently children attending Toora / Welshpool Kindergarten are not able to access the service because there is no safe bus stop outside the kindergartens. Locating the kindergarten on one or both school sites will address this.

Also, several stakeholders suggested any new kindergarten infrastructure located in a hub type setting, should have a focus upon early years services and more broadly education. It should not try to be all things to all people.

## 7.0 Governance and Management Models

A primary consideration for identifying possible future governance and management arrangements is understanding the expectations and approach of the Department of Education and Training, Council the schools and PCCC.

### 7.1 Department of Education and Training

The Department of Education and Training have confirmed they are comfortable with discussions occurring directly between Council and the schools about the availability of land for the development of kindergarten infrastructure. In addition, the Victorian School Building Authority have a documented policy for delivering co-located facilities in established schools (2018) which encourages local schools to consult with their local council when considering the future infrastructure and service needs of students. Schools are encouraged to be an educational, cultural and social hub for their communities and to partner with local government, community groups education and training providers and other not for profit organisations to deliver co-located facilities.

Facilities that may be co-located with schools include early learning centres (kindergarten programs, integrated children's centres with family and health services), community centres and meeting spaces that deliver adult learning opportunities, local council and school shared libraries.

Co-investment with community partners is encouraged to deliver facilities and services to meet the needs of the school and community, and integration between services is recognised as a possible outcome and benefit, as is strengthening long term enrolments, creating a place of integrated and transitional learning, and shared financial investment.

If a school has excess space, the principal and school council may consider providing a community partner with exclusive or shared access to the space. In this circumstance, community partners must contribute to the operating and maintenance costs of the facilities. Where the community partner has sole use of the facilities, they will be responsible for all operating and maintenance costs. Where the community partner has shared use, they will be for part of the operating and maintenance costs.

Key requirements of the Co-location Policy are:

- A community joint use agreement is required to confirm the capital, maintenance and operating costs of the building, and how the facility will be managed and operated. There are a range of formal agreements the Department uses to manage the use of co-located facilities. Information about these was not available.
- DET must agree to projects with a dollar value greater than \$50,000

## 7.2 Council

Although there is no formal resolution from Council, officers have indicated Council understands it has a role in developing infrastructure but would step away from any ongoing involvement or responsibility for infrastructure located on Department of Education land. This approach is consistent with the Council priorities outlined in section 2.

## 7.3 The Schools and PCCC

Discussions with both schools and PCCC suggest the governance and management arrangements for future kindergarten services will be significantly impacted by the design and location of the infrastructure. In general, the more integrated the kindergarten and school infrastructure are, the more integrated the governance and management arrangements are likely to be. For example, if a kindergarten service was located within the existing footprint of a school building or new infrastructure was fully integrated with the existing school buildings, then a more integrated model of operation could be pursued e.g. staff working across both the school and kindergarten. Alternatively, if the kindergarten is located in a separate building, then management arrangements are more likely to be separate and opportunities for integration would centre around programming and governance.

## 7.4 Existing Model

The PCCC is an incorporated community-based provider of education and childcare services. PCCC leases the Toora and Welshpool Kindergarten buildings from South Gippsland Shire Council and delivers the Toora / Welshpool Kindergarten service. PCCC participates in Council's central enrolment program for 4-year-old kindergarten and a Council officer often attends the PCCC committee meetings, however, the officer is not a member of the committee.

Historically PCCC has delivered the kindergarten service in Toora / Welshpool. They also deliver kindergarten and childcare services in Foster and Fish Creek.

If the kindergarten service continues to operate from the existing kindergarten infrastructure in Toora and Welshpool, there is no apparent reason to change the current governance and management arrangements.

## 7.5 Co-located Model

Under this model, the kindergarten infrastructure is located on the school site but in a building fully independent from the school. The school owns the building and leases / licences space to PCCC to operate the kindergarten service. This could include access to shared facilities such as a kitchen, art room or outdoor spaces. PCCC would have responsibility for maintenance and cleaning of the space they occupy and the space could be hired out / used by others, outside times when PCCC is using the space. In addition, there may be value in establishing a Steering Committee with representatives from

PCCC, the School, Council and perhaps other community organisations who may use the space to encourage co-operation and establish clear lines of communication and decision making.

With the exception of the Steering Committee, this is an approach PCCC is familiar with through their existing arrangement with Foster Primary School where PCCC have recently commenced offering before and after school care.

## **7.6 Integrated Model**

Under this model, the kindergarten infrastructure is more fully integrated as part of the school. This may be because the kindergarten is located in existing school infrastructure or new infrastructure has been fully integrated with existing school infrastructure. This circumstance provides an opportunity for a fully integrated management model involving kindergarten and school staff working together, possibly sharing breaks, resources and teaching roles. As a consequence, staff may be employed by the school and PCCC would no longer operate the service. It is important to note, it is unclear if there are any examples of this approach being implemented.

Alternatively, a management and governance approach similar to that outlined for the co-located model, could also be implemented, but with more day to day co-ordination required between the school and kindergarten service.

## 8.0 Capital Investment Required

To understand the capital investment required for each option several factors have been considered including:

- The high-level cost anticipated for any infrastructure works
- The availability and likelihood of accessing external funding (State Government)
- The likelihood of funding being available from other sources e.g. selling a site or sites where kindergarten infrastructure is currently located and investing this in the development of new kindergarten infrastructure.

### 8.1 High Level Capital Costings

The purpose of high-level capital costings is to provide comparative information about the likely capital investment required for each option. The costings **should not be relied upon for budgeting purposes** as they are based upon generic square meterage rates. Once Council has determined its preferred direction, concept plans and more detailed costings **must be** developed to provide more accurate and reliable information about the actual capital investment required for the preferred option.

The high-level capital costings have been prepared by Council officers using the knowledge and skill of a number of people combined with information from similar infrastructure projects and quotations for specific aspects items. The costings are detailed and aim to provide information about the costs associated with all aspects of infrastructure development. The key assumptions underpinning the costings are outlined below.

#### *Inclusions, Standard and Contingency*

The costings allowed for infrastructure, landscaping and playground facilities are of a modest standard. The items captured in the costings are:

- Design
- Site investigations e.g. soil testing
- Demolition
- Building renovation, extension or new development works
- Car parking and drainage
- Playgrounds
- Landscaping including paths and fencing.

The contingency allowed varies across the different elements. Overall it is estimated to be between 5 and 7 percent for each option.

### Modular Buildings

Where completely new infrastructure is proposed for development, the costings are based upon development of modular buildings. This approach has been taken because:

- It offers the flexibility for the building to be relocated to another site and this is a consideration for Council if infrastructure is developed on Department of Education land
- The construction time is quick, and the works can be easily staged. This is important in school and kindergarten environments, where there are often limited windows of time to develop new or upgrade existing infrastructure.

Council officers sought quotations for the modular buildings from three organisations including some that are used by the Victorian School Building Authority.

One key factor to understand about the modular buildings is that they have a shorter lifespan than buildings that are built to be permanently located at one site. The estimated lifespan is 30 – 40 years, with 30 years more likely to be the realistic lifespan.

### Adding onto Existing Infrastructure at Toora Primary School

For the option that proposes to use existing infrastructure at Toora Primary School and build additional infrastructure (toilets, office and playground) to accommodate the kindergarten service, officers have used like projects to develop the high-level cost estimate.

The high-level cost for each option is outlined below, with more detailed information available in a separate spreadsheet provided in **Attachment B**.

**PLEASE NOTE:** These figures are not the overall capital investment required. The options analysis section of this report provides the overall capital investment required which considers the likelihood of accessing State Government funding and proceeds from the sale of existing assets.

<b>Option 1a:</b> Co-location of kindergarten infrastructure at Toora Primary School with no increase in service capacity and closure of the kindergarten infrastructure in Welshpool.	\$640,000
<b>Option 1b:</b> Co-location of kindergarten infrastructure at Toora Primary School with increased service capacity, and closure of the kindergarten infrastructure in Welshpool.	\$1,170,000
<b>Option 1c:</b> Co-location of kindergarten infrastructure at Toora Primary School partially in existing school infrastructure. There is no increased service capacity and the kindergarten infrastructure in Welshpool is closed.	\$620,000

<b>Option 2a:</b> Co-location of kindergarten infrastructure at Welshpool and District Primary School with no increase in service capacity and closure of the kindergarten infrastructure in Toora.	\$635,000
<b>Option 2b:</b> Co-location of kindergarten infrastructure at Welshpool and District Primary School with increased service capacity, and closure of the kindergarten infrastructure in Toora.	\$1,245,000
<b>Option 3:</b> Co-location of kindergarten infrastructure at both Toora Primary School and Welshpool and District Primary School with no increase in service capacity.	\$1,374,000

Table 8.1: High Level Costings for Options 1 - 3

## 8.2 External Funding Options

An important consideration for Council when investigating the development of new kindergarten infrastructure is the likelihood of being able to secure external funding to help offset the capital investment required. The Victorian State Government is a possible source of funding as it offers grant programs for early years infrastructure, and there may be opportunity to access funding through the Department of Education and Training for co-located or integrated facilities on school land. In addition, infrastructure funding may become available as a consequence of the State Government decision to introduce 15 hours of funded 3-year-old kindergarten. A brief analysis of each of these options has found the following:

- Under the current grant programs for early years infrastructure, it will not be possible to secure funding to develop new kindergarten and / or integrated early years facilities at Welshpool or Toora Primary Schools. To be eligible, the facilities must have at least 66 approved places based on 2 rooms providing funded kindergarten programs for children the year before school. There is insufficient demand to demonstrate a need for facilities with this level of capacity.

However, if the existing kindergarten facilities at Toora or Welshpool were to be upgraded, this type of project would be eligible to apply for funding if the number of approved places increases or the quality of the learning environment is improved. Funding is currently capped at \$350,000(GST exclusive) and can be for up to 75 percent of the total project cost. It is important to note, the funding pool and timelines have not been announced for 2019.

- The Department of Education and Training has a policy which supports co-investment by schools and community partners in the development of facilities to support the needs of schools and communities. It is understood they have a strong interest in projects which have a focus upon education including early years and adult education, however any investment by DET in additional school infrastructure will need to demonstrate the benefit to the school as well as the broader community. The existing partnership between Toora Primary school and Manna Gum Community House for the delivery of early years and adult education programs,

provides a good starting point for demonstrating an effective community partnership that addresses community need and supports children and families transitioning into a school environment. Despite this, it is unclear whether DET would be prepared to invest in new infrastructure either at Toora or Welshpool Primary Schools.

- It is expected the State Government will provide funding to upgrade or extend infrastructure to support the roll out of the 15 hours of universal access to funded 3-year-old kindergarten, as this occurred when 15 hours of funded 4 year of kindergarten was introduced. However, there is no information available currently to support this assumption. In addition, it will be difficult to demonstrate additional infrastructure is needed to support the roll out of funded 3-year-old kindergarten in Toora / Welshpool, and therefore accessing funding for capital initiatives will be challenging.

### **8.3 Funding from Other Sources**

The primary source of other funding for the development of kindergarten and other community infrastructure is through the sale of the land where the existing kindergartens are located in Toora and Welshpool. The sites are both owned by Council and are located in the township zone which means they can be used or developed for purposes such as retail, residential and accommodation subject to the requirements of the South Gippsland Planning Scheme. Some members of the Welshpool community believe the Welshpool Kindergarten site was gifted to the community and cannot be sold, however information provided to the consulting team by Council, both the Toora and Welshpool Kindergarten sites can be sold unencumbered.

Another potential source of funding is from other services or agencies who have an interest in delivering services or programs from future kindergarten / community hub facilities. While this has not been specifically examined as part of the feasibility, opportunities may exist with agencies delivering family support services, legal services, medical or health services including allied health services.



## 9.0 Economic Impact Assessment

The Economic Impact Assessment has concentrated upon identifying and documenting the change in direct employment in Toora and Welshpool for each of the scenarios and options over a 10-year period. While the assessment has also considered indirect impacts such as increased or reduced spending as a consequence of ceasing to operate a kindergarten service in either Toora or Welshpool, the magnitude of expenditure is relatively small in comparison with the direct employment impacts, and consequently the assessment has focused upon direct employment impacts.

A number of assumptions underpin the assessment related to:

- Employment levels associated with the schools and kindergarten service
- The likely reduction in school enrolments and possible closure of the schools as a consequence of removing a kindergarten service from either Toora or Welshpool
- How families are likely to access school or kindergarten in the future
- The impact of construction works in either town.

A detailed list of the assumptions is provided as part of the Economic Impact Assessment.

The assessment found:

- Option 3 (retention of kindergarten services in both towns) will result in **a net gain of direct employment** in Toora and Welshpool
- Option 2a and 2b (closure of kindergarten services in Toora) **will have a significant negative impact** upon direct employment in Toora
- Options 1a, 1b and 1c (closure of kindergarten services in Welshpool) **will have a moderately negative impact** upon direct employment in Welshpool.

The detailed Economic Impact Assessment is provided in Appendix A.

## 10.0 Financial Viability of PCCC

This assessment has examined the financial viability of the PCCC delivering kindergarten services in Toora and / or Welshpool for each of the options. The assessment has been undertaken in close consultation with the PCCC and is informed by the service / program model the PCCC is likely to implement for each of the options.

The assessment has focused solely upon the financial viability of the Toora / Welshpool kindergarten service, not the broader viability of the PCCC. The current operating surplus for the service after paying staff costs is \$36,000. These funds are then directed towards overhead items such as maintenance, materials, excursions etc. The financial viability assessment has found the following:

<b>Option 1a</b>	Assumes the service will operate in Toora at the current licence capacity of 22 children. Under this option, the financial viability of the Toora / Welshpool Kindergarten Service is estimated to be reduced by just over \$7,000.
<b>Option 1b</b>	Assumes the service will attract 27 children participating in the kindergarten program at Toora, reflecting the increased licence capacity (28) available under this option. The financial viability of the Toora / Welshpool Kindergarten Service is estimated to increase by \$23,000 under this option.
<b>Option 1c</b>	Assumes the service will operate at the current licence capacity of 22 children in Toora. Under this option, the financial viability of the Toora / Welshpool Kindergarten Service is estimated to be reduced by just over \$13,000, primarily because of the anticipated loss of a maintenance contribution from Council (\$6,000). This is expected to be unavailable to PCCC because the kindergarten service is almost wholly located in existing school infrastructure.
<b>Option 2a</b>	Assumes the service will attract 16 children participating in the kindergarten program at Welshpool, reflecting the bleed of children / families from Toora to Foster as a consequence of no kindergarten service being offered in Toora. This option is estimated to increase the financial viability Toora / Welshpool Kindergarten Service by a small amount (just over \$2,000).
<b>Option 2b</b>	Assumes the service will attract 21 children participating in the kindergarten program at Welshpool, although this option includes an increased licence capacity to 28. The financial viability of the Toora / Welshpool Kindergarten Service is projected to decrease by an estimated \$13,000 under this option because the service is not operating at or close to its licenced capacity.

<b>Option 3</b>	<p>Assumes the service will operate at the current licence capacity of 22 children in Toora / Welshpool, with the program rotating between the two sites. The financial viability of the Toora / Welshpool Kindergarten Service is projected to decrease by an estimated \$7,000 under this option. However, if the kindergarten service is split into two services i.e. 11 children at Toora and 11 children at Welshpool, the viability is substantially increased because the State Government funding model provides a fixed amount of \$80,955 for a rural kindergarten with 1- 18 children.</p> <p>While this may be attractive financially, it means PCCC would then have two services where it may struggle to operate a meaningful program because of the small number of children. This is likely to be of concern to families and PCCC, and may result in families electing to access larger kindergarten services in Fish Creek and Foster.</p>
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## 11.0 Options Analysis

The options analysis uses the information examined in previous sections of this report to consider the relative merit of each option and seeks to identify a preferred option. This section:

- Outlines the scenarios and options that have been examined
- Identifies the criterion against which each option has been assessed
- Provides a high-level summary of the options analysis using a weighting and colour coding system, and a summary of the key findings
- Provides a detailed analysis of each option against the criterion.

### 11.1 Scenarios and Options

The following scenarios and options have been examined:

<b>SCENARIO 1</b> Co-location of kindergarten infrastructure at Toora Primary School and close kindergarten infrastructure in Welshpool	<b>Option 1a:</b> A new modular structure is built at Toora Primary School, with no increase in the licence capacity of the service (22) and no additional facilities.
	<b>Option 1b:</b> A new modular structure is built at Toora Primary School with an increase in the licence capacity to 28 and additional facilities including a multipurpose activity space and 2 multipurpose consulting suites are developed.
	<b>Option 1c:</b> The kindergarten is partially accommodated in existing school infrastructure at Toora Primary School, with no increase in the existing licence capacity of the service (22) and no additional facilities.
<b>SCENARIO 2</b> Co-location of kindergarten infrastructure at Welshpool and District Primary School and close kindergarten infrastructure in Toora	<b>Option 2a:</b> A new modular structure is built at Welshpool and District Primary School, with no increase in the licence capacity of the service (22) and no additional facilities.
	<b>Option 2b:</b> A new modular structure is built at Welshpool and District Primary School with an increase in the licence capacity to 28 and additional facilities including a multipurpose activity space and 2 multipurpose consulting suites are developed.

**Scenario / Option 3: Co-location of kindergarten infrastructure at both Toora Primary School and Welshpool and District Primary School** but with no increase in the existing licence capacity of the service (22) and no additional facilities.

## 11.2 The Criterion

To assess the relative merit of each option, a series of criteria were identified and tested with Council officers and members of the PCCC. Through these discussions it was agreed some of criteria were of higher importance or priority than others. The Primary Criteria (those considered to be of highest importance or priority) are:

1. The current and future demand for 3 and 4-year-old kindergarten services in Toora and Welshpool will be addressed.
2. The site has good capacity to accommodate kindergarten infrastructure and the existing infrastructure on the site is in good condition.
3. The financial viability of Prom Coast Centre for Children is not negatively impacted.
4. The capacity of the community will not be negatively impacted and will be strengthened by the option.

The Secondary Criteria (those considered to be of lower importance or priority) are:

5. Consistency with Council's priorities for the community and community infrastructure.
6. There is a good range of services available close to the kindergarten service.
7. There are good opportunities for synergies between the kindergarten and other service providers including the primary schools and opportunities to extend the service offerings available to the community are created.
8. The governance and management arrangements will be reasonably straight forward and achievable.
9. The economic impact of the various options upon the Toora and Welshpool townships have to be at least neutral in terms of economic impact to the township over a 10-year period, i.e. no decrease in employment in the township.

Each option has been assessed against the Primary and Secondary Criteria before the capital investment costs have been considered. The criteria in relation to capital expenditure is as follows:

10. The capital investment required by Council is reasonable and there is good opportunity to access additional funding such as through State Government grants or through the sale of existing kindergarten infrastructure.

### 11.3 Summary of Options Analysis

Outlined on the following page is a high-level indication of the outcomes from the analysis of each criteria in relation to each option. A colour coding system has been applied as follows:

Green	The analysis shows this option will fully or almost fully address the criteria.
Orange	The analysis shows this option will partially address the criteria.
Red	The analysis shows this option will not or is unlikely to address this criteria.

Some criteria have a specific outcome or dollar value attached to the colour coding including:

- The current and future demand for 3 and 4-year-old kindergarten services in Toora and Welshpool will be addressed.
  - Green = current and future demand is met
  - Orange = an oversupply of infrastructure compared to demand
  - Red = the current and future demand cannot be met.
- The financial viability of Prom Coast Centre for Children is not negatively impacted:
  - Green = the operating surplus (i.e. contribution to PCCC overheads) is either maintained at the current level (\$36,000) or is increased
  - Orange = the operating surplus (i.e. contribution to PCCC overheads) is reduced by less than \$10,000
  - Red = the operating surplus (i.e. contribution to PCCC overheads) is reduced by more than \$10,000.
- The economic impact of the various options upon the Toora and Welshpool townships have to be at least neutral in terms of economic impact to the township over a 10-year period, i.e. no decrease in employment in the township.
  - Green = increase in direct employment equal to or greater than 0.6EFT in Toora and Welshpool combined (generated by 3-year-old kinder program), and no township has a decrease in direct employment
  - Orange = change in direct employment is between 0.5EFT and -1.0 in Toora and Welshpool combined i.e. smaller than the increase occasioned by the 3-year-old kinder program. And/or one township has decrease in direct employment.
  - Red = net loss of direct employment 1.0 or more from Toora and Welshpool combined. And/or one township has decrease in direct employment.
- The capital investment required by Council is reasonable and there is good opportunity to access additional funding such as through State Government grants or through the sale of existing kindergarten infrastructure. The total capital investment required:
  - Green = 0 - \$400,000
  - Orange = \$400,000 - \$800,000
  - Red = More than \$800,000.

Attachment 4.1.1  <b>Criteria</b>	<b>Option 1a</b>	<b>Option 1b</b>	<b>Option 1c</b>	<b>Option 2a</b>	Agenda - 28 August 2019	
					<b>Option 2b</b>	<b>Option 3</b>
	New modular structure built at Toora Primary School, with no increase in the licence capacity of the service (22) and no additional facilities	New modular structure built at Toora Primary School with increased licence capacity to 28, a multipurpose activity space and 2 consulting suites	Kindergarten partially accommodated in existing infrastructure at Toora Primary School, with no increase in the existing licence capacity of the service (22) and no additional facilities	New modular structure built at Welshpool Primary School, with no increase in the existing licence capacity of the service (22) and no additional facilities	New modular structure built at Welshpool Primary School with increased licence capacity to 28, a multipurpose activity space and 2 consulting suites	Co-location of kindergarten infrastructure at both Toora and Welshpool Primary Schools, but no increase in the existing licence capacity of the service (22) and no additional facilities
<b>Primary Criteria</b>						
• Current and Future Kindergarten Service Demand						
• Site Capacity and Existing Infrastructure						
• Financial Viability Impacts for PCCC						
• Community Capacity and Impacts						
<b>Secondary Criteria</b>						
• Council Priorities						
• Proximity to Services						
• Opportunities for Service Synergies						
• Governance and Management Models						
• Economic Impact Upon the Townships						
<b>Cost Implications</b>						
• Capital Investment Required						

### 11.3.1 Key Findings of the Options Analysis

Overall, the analysis indicates that **Option 1b** is the preferred option because it most closely meets the requirements of the criterion. Under this option:

- Three of the four primary criteria are fully met
- Three of the five secondary criteria are fully met, and the remaining two are partially met
- The requirements of the capital investment criteria are not met, however none of the options fully meet this criteria. The capital investment required for the site is significant (an estimated \$1,170,000), however the investment will deliver a fundamentally different and vastly improved service for the Toora and Welshpool communities with significantly increased opportunity to deliver education programs for children and adults, along with allied health and family support services.

Option 1b includes building new modular infrastructure at Toora Primary School with increased licence capacity to 28, a multipurpose activity space and 2 consulting suites.

Other options that may have some merit are options 1a, 2a and 3 because two of the four primary criteria are fully met in each of these options. However, **Option 3** most closely meets the requirements of the secondary criteria therefore placing it above options 1a and 2a. Under option 3:

- Two of the five secondary criteria are fully met and the remaining three are partially met.
- The requirements of the capital investment criteria are not met, however as noted above, none of the options fully meet this criteria. The capital investment required for this option is the highest of all options and is estimated to be \$1,374,000.

Option 3 is the only option that will not negatively impact upon the capacity of the communities as kindergarten services will be retained in both Toora and Welshpool through the development of new kindergarten infrastructure at the Toora and Welshpool Primary Schools. A key drawback of this option is the extent of capital investment required and the significant lack of opportunity to secure external funding. The low service demand means the State Government will not support investing in new infrastructure in both townships. In addition, the demand for early years services is higher in other parts of the South Gippsland community placing Council in the difficult position of having to prioritise the projects in communities where the service demand and community need is highest. These factors suggest there may be merit investigating alternate options which involve retaining some or all of the existing kindergarten infrastructure in Toora and Welshpool and upgrading the infrastructure to extend the life of one or both buildings.



## 11.4 Detailed Analysis of Options 1 - 3

### 11.4.1 Options 1a, 1b and 1c

<b>Option 1a: Co-location of kindergarten infrastructure at Toora Primary School with no increase in service capacity and closure of the kindergarten infrastructure in Welshpool</b>	
Licence Capacity	The licenced capacity of the facility for kindergarten is 23 places.
Facilities	New facilities including a single kindergarten room with associated kitchen, bathroom and office facilities will be developed. The new infrastructure will be a modular addition to the existing infrastructure on the school site. The estimated size of the building footprint is 160 square metres and the playground is additional to this.
Anticipated Operating Model	The operating model will focus upon offering 3 and 4-year-old kindergarten, extended hours of care for children participating in the kindergarten program, before and after school care for children from the Primary School and possibly occasional care.
<b>Primary Criteria</b>	
Current and Future Kindergarten Service Demand	Current and future demand for 4-year-old kindergarten in Toora / Welshpool is expected to be between 10 and 14 children per annum, and the same is projected for 3-year-old kindergarten. This demand can be met through offering 3 and 4-year-old kindergarten services at one location which under this option is Toora.
Site Capacity and Existing Infrastructure	The site has substantial capacity to accommodate additional infrastructure and there is ample on and off-street car parking available.  The existing buildings are only 10 years old, are in excellent condition and have capacity to accommodate a significantly larger number of students. The school currently has 31 students and is designed to cater for 90 students.
Financial Viability Impacts for PCCC	Assumes the service will operate in Toora at the current licence capacity of 22 children. Under this option, the financial viability of the Toora / Welshpool Kindergarten Service is estimated to be reduced by just over \$7,000.
Community Capacity and Impacts	The South East Coastal district incorporating Toora and Welshpool experiences significant disadvantage, including increasing rates of unemployment, low levels of education, and low levels of home internet connection across the district. In Toora and Welshpool particularly, there is a high proportion of low-income households and high levels of housing stress. In addition, the proportion of children who are developmentally vulnerable in South Gippsland Shire is notably above the state average and this is not improving. Ceasing to operate a kindergarten service in Welshpool has the potential to exacerbate the disadvantage experienced by this community further.

	<p>Other impacts anticipated by closing Welshpool kindergarten are:</p> <ul style="list-style-type: none"> <li>• Families in and around Welshpool will need to travel further to access kindergarten services. Currently some families rely upon informal transport arrangements with other families to access kindergarten the weeks it operates in Toora.</li> <li>• A likely decline in enrolments for Welshpool and District Primary School because families are likely to select a school close to where their child attends kindergarten. Ultimately, this may result in closure of the school, and undermine the viability of the township as families moving to the area are more likely to elect to live in a community where there are kindergarten and school services. By contrast, for the town where a kindergarten service remains, the viability of the school and township is likely to be strengthened.</li> <li>• PCCC believe it will be harder to predict where families from Toora and Welshpool will elect to access kindergarten services because most families living in the catchment area of the Toora / Welshpool kindergarten generally access this service. However, if families are required to travel, they may be just as happy to travel to Foster or Fish Creek to access kindergarten.</li> </ul>
<b>Secondary Criteria</b>	
Council Priorities	This option has some consistency with Council's priorities, in relation to supporting the development of smaller multi-purpose social infrastructure in smaller towns, establishing community hubs, and supporting families and children, however the lack of additional facilities such as a meeting room and consulting suites limits the flexibility and multiuse nature of the options which are key priorities for Council.
Proximity to Services	Toora Primary School has good proximity to a range of services compared with Welshpool but less so when compared with Foster. It is located alongside the Toora Swimming Pool and is only a short walk from the main business area which offers services such as medical, supermarket, post office, bank and cafés.
Opportunities for Service Synergies	<p>There are good opportunities for synergies because of the co-location with the school, however these are more limited because of not having additional facilities (meeting room and consulting suite) in this option. Opportunities include:</p> <ul style="list-style-type: none"> <li>• Offering extended hours of care for kindergarten children, plus before and after school care for primary school aged children and possibly occasional care.</li> <li>• Providing a click and collect location for library services i.e. community members can order items online and collect them from the Kindergarten or return items to the Kindergarten.</li> <li>• Offering outreach library programs at times and days the kindergarten space is not being used for kindergarten purposes and / or incorporating outreach programs as part of the kindergarten program or the extended hours of care.</li> </ul>

	<ul style="list-style-type: none"> <li>• The kindergarten room being available for community use outside its usual hours of operation as a kindergarten, for extended hours of care, before and after school care or occasional care.</li> <li>• The school and kindergarten service working together to deliver programs, share resources and manage the transition between kindergarten and school.</li> <li>• The existing partnership Toora Primary School has with Manna Gum Community House could continue in the main school building and parents involved with the Kindergarten program could become involved in the adult education options the Community House offers.</li> </ul>
Governance and Management Models	<p>The governance and management arrangements are expected to be relatively straight forward in this option. It is based upon a co-located model where PCCC lease / licence the space from the school and manage the day to day operation of the kindergarten, extended hours of care, before and after school care, and occasional care. Shared use of some facilities, programs and resources would be possible with the school, but are not essential either to the operation of the school or the kindergarten.</p> <p>A Steering Committee consisting of representatives from PCCC, the School, Council and perhaps other community organisations could be established to facilitate co-operation between the school and kindergarten.</p> <p>A joint use agreement would be required between the Department of Education and Training and possibly Council and / or PCCC. The form and structure of this agreement is not known.</p>
Economic Impact Upon the Townships	<p>Direct employment through Welshpool Kindergarten decreases by 0.7EFT.</p> <p>With arrival of 3-year old program, 90% of the children that would have attended the combined service will attend the program in Toora.</p> <p>Net increase in kinder employment in Toora will be 90% of <math>(0.7\text{EFT} + 0.6\text{EFT}) = 1.2\text{EFT}</math></p> <p>Welshpool and District Primary School will lose enrolment at the rate of 3 per year and after 4 – 5 years, the school would be unviable, cease operation, resulting in further decrease of direct employment in Welshpool of 3.6EFT.</p> <p>Enrolment at Toora Primary school would increase as a result of the closure, with 90% of the children going to Toora Primary School. This will increase employment at Toora Primary School.</p>
<b>Cost Implications</b>	
Capital Investment Required	<p>The estimated high-level capital cost to deliver a 160m square modular building and playground at Toora Primary School with capacity for 22 children is \$640,000.</p> <p>In relation to alternate funding sources:</p> <ul style="list-style-type: none"> <li>• If the Welshpool Kindergarten site is sold, it will achieve an estimated return of \$200,000, however the community very unlikely to support sale of</li> </ul>

	<p>the land and have indicated they would lobby Council retain the site for community purposes.</p> <ul style="list-style-type: none"> <li>• This option would not be eligible for funding through the Victorian State Government early years infrastructure grant program, nor is the project likely to be eligible for any funding associated with the roll out of funded 3-year-old kindergarten because of low demand for the service.</li> <li>• There may be opportunity to secure funding through the Department of Education and Training if it can be demonstrated the project will deliver outcomes for the school and wider community, however the likelihood of accessing funding and the amount that may be available is unknown.</li> </ul> <p>Based on the available information, the total estimated cost (high level only) of this option is \$640,000.</p>
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<b>Option 1b: Co-location of kindergarten infrastructure at Toora Primary School with increased service capacity, and closure of the kindergarten infrastructure in Welshpool</b>	
Licence Capacity	The licenced capacity of the facility for kindergarten is 28 places.
Facilities	New facilities including a single kindergarten room with associated kitchen, bathroom and office facilities, along with a multipurpose activity space and two multipurpose consulting suites will be developed. The new infrastructure will be a modular addition to the existing infrastructure on the school site. The estimated size of the building footprint is 350 square metres and the playground is additional to this.
Anticipated Operating Model	The operating model will focus upon offering 3 and 4-year-old kindergarten, extended hours of care for children participating in the kindergarten program, before and after school care for children from the Primary School and possibly occasional care. In addition, allied health and community and social support services can be delivered from the consulting suites.
<b>Primary Criteria</b>	
Current and Future Kindergarten Service Demand	Current and future demand for 4-year-old kindergarten in Toora / Welshpool is expected to be between 10 and 14 children per annum, and the same is projected for 3-year-old kindergarten. This demand can be met through offering 3 and 4-year-old kindergarten services at one location which under this option is Toora. Further, the increased licence capacity provides for unexpected growth.
Site Capacity and Existing Infrastructure	<p>The site has substantial capacity to accommodate additional infrastructure and there is ample on and off-street car parking available.</p> <p>The existing buildings are only 10 years old, are in excellent condition and have capacity to accommodate a significantly larger number of students. The school currently has 31 students and is designed to cater for 90 students.</p>

Financial Viability Impacts for PCCC	Assumes the service will attract 27 children participating in the kindergarten program at Toora, reflecting the increased licence capacity (28) available under this option. The financial viability of the Toora / Welshpool Kindergarten Service is estimated to increase by \$23,000 under this option.
Community Capacity and Impacts	<p>The South East Coastal district incorporating Toora and Welshpool experiences significant disadvantage, including increasing rates of unemployment, low levels of education, and low levels of home internet connection across the district. In Toora and Welshpool particularly, there is a high proportion of low-income households and high levels of housing stress. In addition, the proportion of children who are developmentally vulnerable in South Gippsland Shire is notably above the state average and this is not improving. Ceasing to operate a kindergarten service in Welshpool has the potential to exacerbate the disadvantage experienced by this community further.</p> <p>Other impacts anticipated by closing Welshpool kindergarten are:</p> <ul style="list-style-type: none"> <li>• Families in and around Welshpool will need to travel further to access kindergarten services. Currently some families rely upon informal transport arrangements with other families to access kindergarten the weeks it operates in Toora.</li> <li>• A likely decline in enrolments for Welshpool and District Primary School because families are likely to select a school close to where their child attends kindergarten. Ultimately, this may result in closure of the school, and undermine the viability of the township as families moving to the area are more likely to elect to live in a community where there are kindergarten and school services. Whereas for Toora the viability of the Primary School is likely to be strengthened and consequently the viability of the township is strengthened.</li> <li>• PCCC believe it will be harder to predict where families from Toora and Welshpool will elect to access kindergarten services because most families living in the catchment area of the Toora / Welshpool kindergarten generally access this service. However, if families are required to travel, they may be just as happy to travel to Foster or Fish Creek to access kindergarten.</li> </ul>
<b>Secondary Criteria</b>	
Council Priorities	This option is very consistent with Council's priorities, particularly in relation to supporting the development of smaller multi-purpose social infrastructure in smaller towns, establishing community hubs to incorporate a range of compatible groups and functions, equal access and inclusion for children and families and collaborative partnerships that support children and families.
Proximity to Services	Toora Primary School has good proximity to a range of services compared with Welshpool but less so when compared with Foster. It is located alongside the Toora Swimming Pool and is only a short walk from the main business area which offers services such as medical, supermarket, post office, bank and cafés.

<p>Opportunities for Service Synergies</p>	<p>There are extensive opportunities for synergies, particularly because of the co-location with the school and additional facilities in this option. Opportunities include:</p> <ul style="list-style-type: none"> <li>• Offering extended hours of care for kindergarten children, plus before and after school care for primary school aged children and possibly occasional care.</li> <li>• Providing a click and collect location for library services i.e. community members can order items online and collect them from the Kindergarten or return items to the Kindergarten.</li> <li>• Offering outreach library programs at times and days the kindergarten space is not being used for kindergarten purposes and / or incorporating outreach programs as part of the kindergarten program or the extended hours of care.</li> <li>• The kindergarten room being available for community use outside its usual hours of operation as a kindergarten, for extended hours of care, before and after school care or occasional care.</li> <li>• The school and kindergarten service working together to deliver programs, share resources and manage the transition between kindergarten and school.</li> <li>• The existing partnership Toora Primary School has with Manna Gum Community House could be expanded and located in the community meeting room. Parents involved with the Kindergarten program could become involved in the adult education options the Community House offers and Manna Gum could offer an expanded range of adult education programs.</li> <li>• Outreach family support services could be delivered such as legal services, parenting groups, playgrounds and children’s support programs.</li> <li>• Outreach health services such as maternal child health, immunisation, medical and allied health services could be delivered from the facilities.</li> </ul>
<p>Governance and Management Models</p>	<p>The governance and management arrangements are expected to be relatively straight forward in this option. It is based upon a co-located model where PCCC lease / licence the space from the school and manage the day to day operation of the kindergarten, extended hours of care, before and after school care, and occasional care. Shared use of some facilities, programs and resources would be possible with the school, but are not essential either to the operation of the school or the kindergarten.</p> <p>A Steering Committee consisting of representatives from PCCC, the School, Council and perhaps other community organisations could be established to facilitate co-operation between the school and kindergarten.</p> <p>A joint use agreement would be required between the Department of Education and Training and possibly Council and / or PCCC. The form and structure of this agreement is not known.</p>

Economic Impact Upon the Township	<p>Direct employment through Welshpool Kindergarten decreases by 0.7EFT.</p> <p>With arrival of 3-year old program, 90% of the children that would have attended the combined service will attend the program in Toora.</p> <p>Net increase in employment through the kindergarten program in Toora will be 90% of (0.7EFT + 0.6EFT) = 1.2EFT</p> <p>Kindergarten employment at Toora will increase with the consulting rooms activity.</p> <p>Welshpool and District Primary School will lose enrolment at the rate of 3 per year and after 4 – 5 years, the school would be unviable, cease operation, resulting in further decrease of direct employment in Welshpool of 3.6EFT.</p> <p>Enrolment at Toora Primary school would increase as a result of the closure, with 90% of the children going to Toora Primary School. This will increase employment at Toora Primary School. Further employment will be generated through Allied Health and other services at the PS.</p>
<b>Cost Implications</b>	
Capital Investment Required	<p>The estimated high-level capital cost to deliver a 350m square modular building incorporating a single kindergarten room (with capacity for 28 children) with associated kitchen, bathroom and office facilities, community meeting room, two multipurpose consulting suites and playground at Toora Primary School is \$1,170,000.</p> <p>In relation to alternate funding sources:</p> <ul style="list-style-type: none"> <li>• If the Welshpool Kindergarten site is sold, it will achieve an estimated return of \$200,000, however, the community is not likely to support sale of the land and would request Council retain the site for community purposes.</li> <li>• This option would not be eligible for funding through the Victorian State Government early years infrastructure grant program, nor is the project likely to be eligible for any funding associated with the roll out of funded 3-year-old kindergarten because of low demand for the service.</li> <li>• There may be opportunity to secure funding through the Department of Education and Training if it can be demonstrated the project will deliver outcomes for the school and wider community, however the likelihood of accessing funding and the amount that may be available is unknown.</li> </ul> <p>Based on the available information, the total estimated cost (high level only) of this option is \$1,170,000.</p>

<b>Option 1c: Co-location of kindergarten infrastructure at Toora Primary School partially in existing school infrastructure. There is no increased service capacity and the kindergarten infrastructure in Welshpool is closed</b>	
Licence Capacity	The licenced capacity of the facility for kindergarten is 22 places.
Facilities	The existing library / art room in the school becomes the kindergarten room. Separate bathroom and office facilities are added to the building and separate outdoor playground facilities are developed. The estimated size of the additional infrastructure including the playground is 230 square metres.
Anticipated Operating Model	The operating model will focus upon offering 3 and 4-year-old kindergarten, extended hours of care for children participating in the kindergarten program, before and after school care for children from the Primary School.
<b>Primary Criteria</b>	
Current and Future Kindergarten Service Demand	Current and future demand for 4-year-old kindergarten in Toora / Welshpool is expected to be between 10 and 14 children per annum, and the same is projected for 3-year-old kindergarten. This demand can be met through offering 3 and 4-year-old kindergarten services at one location which under this option is Toora.
Site Capacity and Existing Infrastructure	<p>The site has substantial capacity to accommodate additional infrastructure and there is ample on and off-street car parking available.</p> <p>The existing school building has capacity to accommodate a kindergarten program as the school is designed for 90 students and currently has 31 enrolled. Specifically, the art room / library has been identified as having the capacity to accommodate a kindergarten program. In addition, there is space immediately outside this room to develop bathroom and playground facilities, although an existing underground water tank would need to be relocated.</p> <p>Key considerations of this approach are:</p> <ul style="list-style-type: none"> <li>• Where the school would accommodate its library and art activities</li> <li>• The impact upon the current Bub Hub program the schools partners with Manna Gum Community House to deliver. The kindergarten program would most likely require access to the space 4 days per week</li> <li>• Whether this is a sustainable option if enrolments at the school increase, and this is a likely outcome if kindergarten services were located at Toora Primary School and not available in Welshpool at all.</li> </ul>
Financial Viability Impacts for PCCC	Assumes the service will operate at the current licence capacity of 22 children in Toora. Under this option, the financial viability of the Toora / Welshpool Kindergarten Service is estimated to be reduced by just over \$13,000, primarily because of the anticipated loss of a maintenance contribution from Council



	(\$6,000). This is expected to be unavailable to PCCC because the kindergarten service is almost wholly located in existing school infrastructure.
Community Capacity and Impacts	<p>The South East Coastal district incorporating Toora and Welshpool experiences significant disadvantage, including increasing rates of unemployment, low levels of education, and low levels of home internet connection across the district. In Toora and Welshpool particularly, there is a high proportion of low-income households and high levels of housing stress. In addition, the proportion of children who are developmentally vulnerable in South Gippsland Shire is notably above the state average and this is not improving. Ceasing to operate a kindergarten service in Welshpool has the potential to exacerbate the disadvantage experienced by this community further.</p> <p>Other impacts anticipated by closing Welshpool Kindergarten are:</p> <ul style="list-style-type: none"> <li>• Families in and around Welshpool will need to travel further to access kindergarten services. Currently some families rely upon informal transport arrangements with other families to access kindergarten the weeks it operates in Toora.</li> <li>• A likely decline in enrolments for Welshpool and District Primary School because families are likely to select a school close to where their child attends kindergarten. Ultimately, this may result in closure of the school, and undermine the viability of the township as families moving to the area are more likely to elect to live in a community where there are kindergarten and school services.</li> <li>• PCCC believe it will be harder to predict where families from Toora and Welshpool will elect to access kindergarten services because most families living in the catchment area of the Toora / Welshpool kindergarten generally access this service. However, if families are required to travel, they may be just as happy to travel to Foster or Fish Creek to access kindergarten.</li> </ul>
<b>Secondary Criteria</b>	
Council Priorities	This option has some consistency with Council's priorities, in relation to supporting the development of smaller multi-purpose social infrastructure in smaller towns, establishing community hubs, and supporting families and children, however the lack of additional facilities such as a meeting room and consulting suites limits the flexibility and multiuse nature of the option which are key priorities for Council.
Proximity to Services	Toora Primary School has good proximity to a range of services compared with Welshpool but less so when compared with Foster. It is located alongside the Toora Swimming Pool and is only a short walk from the main business area which offers services such as medical, supermarket, post office, bank and cafés.
Opportunities for Service Synergies	There are some opportunities for synergies, however these are constrained by using existing school facilities in this option. Opportunities include:

	<ul style="list-style-type: none"> <li>Offering extended hours of care for kindergarten children, plus before and after school care for primary school aged children.</li> <li>The school and kindergarten service working together to deliver programs, share resources and manage the transition between kindergarten and school.</li> </ul> <p>While there would be opportunity to engage kindergarten parents in the Bub Hub program run by Manna Gum community House at the school, the ongoing viability of this program could be compromised because it is run from the art room / library and may not be available or will have only limited availability.</p>
Governance and Management Models	<p>A more fully integrated management model is likely to be required for this option which may make it more complex to negotiate and resolve. The model could involve the kindergarten and school staff working together, possibly sharing breaks, resources and teaching roles. This may mean staff are employed by the school and PCCC would no longer operate the service.</p> <p>This is an entirely different model to the current arrangement, and further investigation would be required to understand if this approach is being implemented in other schools in Victoria.</p>
Economic Impact Upon the Township	<p>Direct employment through Welshpool Kindergarten decreases by 0.7EFT.</p> <p>With arrival of 3-year old program, 90% of the children that would have attended the combined service will attend the program in Toora.</p> <p>Net increase in employment through the kindergarten program in Toora will be 90% of <math>(0.7\text{EFT} + 0.6\text{EFT}) = 1.2\text{EFT}</math></p> <p>Welshpool and District Primary School will lose enrolment at the rate of 3 per year and after 4 – 5 years, the school would be unviable, cease operation, resulting in further decrease of direct employment in Welshpool of 3.6EFT.</p> <p>Enrolment at Toora Primary school would increase as a result of the closure, with 90% of the children going to Toora Primary School. This will increase employment at Toora Primary School.</p>
<b>Cost Implications</b>	
Capital Investment Required	<p>The estimated high-level capital cost to use existing school infrastructure to partially accommodate the kindergarten and build toilet, office and playground facilities at Toora Primary School with capacity for 22 children is \$620,000.</p> <p>In relation to alternate funding sources:</p> <ul style="list-style-type: none"> <li>If the Welshpool Kindergarten site is sold, it will achieve an estimated return of \$200,000, however the community very unlikely to support sale of the land and have indicated they would lobby Council retain the site for community purposes.</li> <li>This option would not be eligible for funding through the Victorian State Government early years infrastructure grant program, nor is the project</li> </ul>

	<p>likely to be eligible for any funding associated with the roll out of funded 3-year-old kindergarten because of low demand for the service.</p> <ul style="list-style-type: none"> <li>• There may be opportunity to secure funding through the Department of Education and Training if it can be demonstrated the project will deliver outcomes for the school and wider community, however the likelihood of accessing funding and the amount that may be available is unknown.</li> </ul> <p>Based on the available information, the total estimated cost (high level only) of this option is \$620,000.</p>
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#### 11.4.2 Options 2a and 2b

<b>Option 2a: Co-location of kindergarten infrastructure at Welshpool and District Primary School with no increase in service capacity and closure of the kindergarten infrastructure in Toora</b>	
Licence Capacity	The licenced capacity of the facility for kindergarten is 22 places.
Facilities	New facilities including a single kindergarten room with associated kitchen, bathroom and office facilities will be developed. The new infrastructure will be a modular addition to the existing infrastructure on the school site. The estimated size of the building footprint is 160 square metres and the playground is additional to this.
Anticipated Operating Model	The operating model will focus upon offering 3 and 4-year-old kindergarten, extended hours of care for children participating in the kindergarten program, before and after school care for children from the Primary School and possibly occasional care.
<b>Primary Criteria</b>	
Current and Future Kindergarten Service Demand	Current and future demand for 4-year-old kindergarten in Toora / Welshpool is expected to be between 10 and 14 children per annum, and the same is projected for 3-year-old kindergarten. This demand can be met through offering 3 and 4-year-old kindergarten services at one location which under this option is Welshpool.
Site Capacity and Existing Infrastructure	<p>The site has good capacity to accommodate additional infrastructure and there is good off-street car parking available at the front of the school. The new infrastructure would be best located towards the front of the site facing South Gippsland Highway to facilitate easy access for construction and operation of the kindergarten service.</p> <p>The existing buildings are in variable condition. The main classrooms are modular and in good condition however the indoor sports court and toilet block are in poor condition, and the original school buildings are old and present some functional challenges.</p>

Financial Viability Impacts for PCCC	Assumes the service will attract 16 children participating in the kindergarten program at Welshpool, reflecting the bleed of children / families from Toora to Foster as a consequence of no kindergarten service being offered in Toora. This option is estimated to increase the financial viability Toora / Welshpool Kindergarten Service by a small amount (just over \$2,000).
Community Capacity and Impacts	<p>The South East Coastal district incorporating Toora and Welshpool experiences significant disadvantage, including increasing rates of unemployment, low levels of education, and low levels of home internet connection across the district. In Toora and Welshpool particularly, there is a high proportion of low-income households and high levels of housing stress. In addition, the proportion of children who are developmentally vulnerable in South Gippsland Shire is notably above the state average and this is not improving. Ceasing to operate a kindergarten service in Toora has the potential to exacerbate the disadvantage experienced by this community further.</p> <p>Other impacts anticipated by closing Toora Kindergarten are:</p> <ul style="list-style-type: none"> <li>• Families in and around Toora will need to travel further to access kindergarten services. Currently some families rely upon informal transport arrangements with other families to access kindergarten the weeks it operates in Welshpool.</li> <li>• A likely decline in enrolments for Toora Primary School because families are likely to select a school close to where their child attends kindergarten. Ultimately, this may result in closure of the school, and undermine the viability of the township as families moving to the area are more likely to elect to live in a community where there are kindergarten and school services. By contrast, for the town where a kindergarten service remains, the viability of the school and township is likely to be strengthened.</li> <li>• PCCC believe it will be harder to predict where families from Toora and Welshpool will elect to access kindergarten services because most families living in the catchment area of the Toora / Welshpool kindergarten generally access this service. However, if families are required to travel, they may be just as happy to travel to Foster or Fish Creek to access kindergarten.</li> </ul>
<b>Secondary Criteria</b>	
Council Priorities	This option has some consistency with Council's priorities, in relation to supporting the development of smaller multi-purpose social infrastructure in smaller towns, establishing community hubs, and supporting families and children, however the lack of additional facilities such as a meeting room and consulting suites limits the flexibility and multiuse nature of the options which are key priorities for Council.
Community Capacity and Impacts	The South East Coastal district incorporating Toora and Welshpool experiences significant disadvantage, including increasing rates of unemployment, low levels of education, and low levels of home internet connection across the district. In Toora and Welshpool particularly, there is a high proportion of low-income households and high levels of housing stress. In addition, the proportion of children who are

	<p>developmentally vulnerable in South Gippsland Shire is notably above the state average and this is not improving. Ceasing to operate a kindergarten service in Toora has the potential to exacerbate the disadvantage experienced by this community further.</p> <p>Other impacts anticipated by closing Toora Kindergarten are:</p> <ul style="list-style-type: none"> <li>• Families in and around Toora will need to travel further to access kindergarten services. Currently some families rely upon informal transport arrangements with other families to access kindergarten the weeks it operates in Welshpool.</li> <li>• A likely decline in enrolments for Toora Primary School because families are likely to select a school close to where their child attends kindergarten. Ultimately, this may result in closure of the school, and undermine the viability of the township as families moving to the area are more likely to elect to live in a community where there are kindergarten and school services. By contrast, for the town where a kindergarten service remains, the viability of the school and township is likely to be strengthened.</li> <li>• PCCC believe it will be harder to predict where families from Toora and Welshpool will elect to access kindergarten services because most families living in the catchment area of the Toora / Welshpool kindergarten generally access this service. However, if families are required to travel, they may be just as happy to travel to Foster or Fish Creek to access kindergarten.</li> </ul>
Proximity to Services	<p>Welshpool Primary School has limited access to services compared with Toora or Foster. The school is located approximately 1km from the main business area which includes services such as the general store, post office, café and the Rural Transaction Centre which acts an agent for Bendigo Bank and Centrelink.</p>
Opportunities for Service Synergies	<p>There are good opportunities for synergies because of the co-location with the school, however these are more limited because of not having additional facilities (meeting room and consulting suite) in this option. Opportunities include:</p> <ul style="list-style-type: none"> <li>• Offering extended hours of care for kindergarten children, plus before and after school care for primary school aged children and possibly occasional care.</li> <li>• Providing a click and collect location for library services i.e. community members can order items online and collect them from the Kindergarten or return items to the Kindergarten.</li> <li>• Offering outreach library programs at times and days the kindergarten space is not being used for kindergarten purposes and / or incorporating outreach programs as part of the kindergarten program or the extended hours of care.</li> <li>• The kindergarten room being available for community use outside its usual hours of operation as a kindergarten, for extended hours of care, before and after school care or occasional care.</li> <li>• The school and kindergarten service working together to deliver programs, share resources and manage the transition between kindergarten and school.</li> </ul>

	<ul style="list-style-type: none"> <li>• Possible development of a partnership with Manna Gum Community House to deliver the Bub Hub program and adult education opportunities as currently occurs at Toora Primary School.</li> </ul>
Governance and Management Models	<p>The governance and management arrangements are expected to be relatively straight forward in this option. It is based upon a co-located model where PCCC lease / licence the space from the school and manage the day to day operation of the kindergarten, extended hours of care, before and after school care, and occasional care. Shared use of some facilities, programs and resources would be possible with the school, but are not essential either to the operation of the school or the kindergarten.</p> <p>A Steering Committee consisting of representatives from PCCC, the School, Council and perhaps other community organisations could be established to facilitate co-operation between the school and kindergarten.</p> <p>A joint use agreement would be required between the Department of Education and Training and possibly Council and / or PCCC. The form and structure of this agreement is not known.</p>
Economic Impact Upon the Township	<p>Direct employment in Toora will decrease by 0.7EFT at the kinder.</p> <p>Toora Primary School will lose enrolment at the rate of 3 per year and after 7- 8 years, Toora Primary School would be unviable and cease operation, resulting in further decrease of direct employment in Toora.</p> <p>Employment in Welshpool will increase at the kinder and after 7 – 8 years at the Primary School. Not all the employment lost in Toora will be gained in Welshpool; half of the direct employment will leak to Foster instead.</p> <p>The impacts on Toora are delayed because the Primary School has higher enrolment than at Welshpool and is therefore more robust against removal of the kinder and associated enrolment loss.</p>
<b>Cost Implications</b>	
Capital Investment Required	<p>The estimated high-level capital cost to deliver a 160m square modular building and playground at Welshpool Primary School with capacity for 22 children is \$635,000.</p> <p>In relation to alternate funding sources:</p> <ul style="list-style-type: none"> <li>• If the Toora Kindergarten site is sold, it will achieve an estimated return of \$200,000, however, the community may not support sale of the land and may request Council retain the site for community purposes.</li> <li>• This option would not be eligible for funding through the Victorian State Government early years infrastructure grant program, nor is the project likely to be eligible for any funding associated with the roll out of funded 3-year-old kindergarten because of low demand for the service.</li> <li>• There may be opportunity to secure funding through the Department of Education and Training if it can be demonstrated the project will deliver</li> </ul>

	<p>outcomes for the school and wider community, however the likelihood of accessing funding and the amount that may be available is unknown.</p> <p>Based on the available information, the total estimated cost (high level only) of this option is \$635,000. If Council can sell the existing kindergarten site, the cost could be reduced to \$435,000.</p>
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<b>Option 2b: Co-location of kindergarten infrastructure at Welshpool and District Primary School with increased service capacity, and closure of the kindergarten infrastructure in Toora</b>	
Licence Capacity	The licenced capacity of the facility for kindergarten is 28 places.
Facilities	New facilities including a single kindergarten room with associated kitchen, bathroom and office facilities, along with a multipurpose activity space and two multipurpose consulting suites will be developed. The new infrastructure will be a modular addition to the existing infrastructure on the school site. The estimated size of the building footprint is 350 square metres and the playground is additional to this.
Anticipated Operating Model	The operating model will focus upon offering 3 and 4-year-old kindergarten, extended hours of care for children participating in the kindergarten program, before and after school care for children from the Primary School and possibly occasional care. In addition, allied health and community and social support services can be delivered from the consulting suites.
<b>Primary Criteria</b>	
Current and Future Kindergarten Service Demand	Current and future demand for 4-year-old kindergarten in Toora / Welshpool is expected to be between 10 and 14 children per annum, and the same is projected for 3-year-old kindergarten. This demand can be met through offering 3 and 4-year-old kindergarten services at one location which under this option is Welshpool. Further, the increased licence capacity provides for unexpected growth.
Site Capacity and Existing Infrastructure	<p>The site has good capacity to accommodate additional infrastructure and there is good off-street car parking available at the front of the school. The new infrastructure would be best located towards the front of the site facing South Gippsland Highway to facilitate easy access for construction and operation of the kindergarten service.</p> <p>The existing buildings are in variable condition. The main classrooms are modular and in good condition however the indoor sports court and toilet block are in poor condition, and the original school buildings are old and present some functional challenges.</p>
Financial Viability Impacts for PCCC	Assumes the service will attract 21 children participating in the kindergarten program at Welshpool, although this option includes an increased licence capacity to 28. The financial viability of the Toora / Welshpool Kindergarten Service is

	projected to decrease by an estimated \$13,000 under this option because the service is not operating at or close to its licenced capacity.
Community Capacity and Impacts	<p>The South East Coastal district incorporating Toora and Welshpool experiences significant disadvantage, including increasing rates of unemployment, low levels of education, and low levels of home internet connection across the district. In Toora and Welshpool particularly, there is a high proportion of low-income households and high levels of housing stress. In addition, the proportion of children who are developmentally vulnerable in South Gippsland Shire is notably above the state average and this is not improving. Ceasing to operate a kindergarten service in Toora has the potential to exacerbate the disadvantage experienced by this community further.</p> <p>Other impacts anticipated by closing Toora kindergarten are:</p> <ul style="list-style-type: none"> <li>• Families in and around Welshpool will need to travel further to access kindergarten services. Currently some families rely upon informal transport arrangements with other families to access kindergarten the weeks it operates in Toora.</li> <li>• A likely decline in enrolments for Welshpool and District Primary School because families are likely to select a school close to where their child attends kindergarten. Ultimately, this may result in closure of the school, and undermine the viability of the township as families moving to the area are more likely to elect to live in a community where there are kindergarten and school services. Whereas for Welshpool the viability of the Primary School is likely to be strengthened and consequently the viability of the township is strengthened.</li> <li>• PCCC believe it will be harder to predict where families from Toora and Welshpool will elect to access kindergarten services because most families living in the catchment area of the Toora / Welshpool kindergarten generally access this service. However, if families are required to travel, they may be just as happy to travel to Foster or Fish Creek to access kindergarten.</li> </ul>
<b>Secondary Criteria</b>	
Council Priorities	This option is very consistent with Council's priorities, particularly in relation to supporting the development of smaller multi-purpose social infrastructure in smaller towns, establishing community hubs to incorporate a range of compatible groups and functions, equal access and inclusion for children and families and collaborative partnerships that support children and families.
Proximity to Services	Welshpool Primary School has limited access to services compared with Toora or Foster. The school is located approximately 1km from the main business area which includes services such as the general store, post office, café and the Rural Transaction Centre which acts an agent for Bendigo Bank and Centrelink.
Opportunities for Service Synergies	There are extensive opportunities for synergies, particularly because of the co-location with the school and additional facilities in this option. Opportunities include:



	<ul style="list-style-type: none"> <li>• Offering extended hours of care for kindergarten children, plus before and after school care for primary school aged children and possibly occasional care.</li> <li>• Providing a click and collect location for library services i.e. community members can order items online and collect them from the Kindergarten or return items to the Kindergarten.</li> <li>• Offering outreach library programs at times and days the kindergarten space is not being used for kindergarten purposes and / or incorporating outreach programs as part of the kindergarten program or the extended hours of care.</li> <li>• The kindergarten room being available for community use outside its usual hours of operation as a kindergarten, for extended hours of care, before and after school care or occasional care.</li> <li>• The school and kindergarten service working together to deliver programs, share resources and manage the transition between kindergarten and school.</li> <li>• Possible development of a partnership with Manna Gum Community House to deliver the Bub Hub program and adult education opportunities as currently occurs at Toora Primary School Outreach family support services could be delivered such as legal services, parenting groups, playgrounds and children's support programs.</li> <li>• Outreach health services such as maternal child health, immunisation, medical and allied health services could be delivered from the facilities.</li> </ul>
<p>Governance and Management Models</p>	<p>The governance and management arrangements are expected to be relatively straight forward in this option. It is based upon a co-located model where PCCC lease / licence the space from the school and manage the day to day operation of the kindergarten, extended hours of care, before and after school care, and occasional care. Shared use of some facilities, programs and resources would be possible with the school, but are not essential either to the operation of the school or the kindergarten.</p> <p>A Steering Committee consisting of representatives from PCCC, the School, Council and perhaps other community organisations could be established to facilitate co-operation between the school and kindergarten.</p> <p>A joint use agreement would be required between the Department of Education and Training and possibly Council and / or PCCC. The form and structure of this agreement is not known.</p>
<p>Economic Impact Upon the Township</p>	<p>Direct employment in Toora will decrease by 0.7EFT.</p> <p>Toora Primary School will lose enrolment at the rate of 3 per year and after 7- 8 years, Toora Primary School would be unviable and cease operation, resulting in further decrease of direct employment in Toora.</p> <p>Direct employment in Welshpool will increase at the kinder (because of the additional 3-year-old program accommodated), because of the allied health services in the consulting rooms after 7 – 8 years at the Primary School. Not all the employment</p>

	<p>lost in Toora will be gained in Welshpool; half of the direct employment will leak to Foster instead.</p> <p>The assessment assumes that there is demand in Welshpool for 28 places; if this is not the case, the direct employment increase at Welshpool would lower.</p>
<b>Cost Implications</b>	
Capital Investment Required	<p>The estimated high-level capital cost to deliver a 350m square modular building incorporating a single kindergarten room (with capacity for 28 children) with associated kitchen, bathroom and office facilities, community meeting room, two multipurpose consulting suites and playground at Welshpool and District Primary School is \$1,245,000.</p> <p>In relation to alternate funding sources:</p> <ul style="list-style-type: none"> <li>• If the Toora Kindergarten site is sold, it will achieve an estimated return of \$200,000, however, the community may not support sale of the land and may request Council retain the site for community purposes.</li> <li>• This option would not be eligible for funding through the Victorian State Government early years infrastructure grant program, nor is the project likely to be eligible for any funding associated with the roll out of funded 3-year-old kindergarten because of low demand for the service.</li> <li>• There may be opportunity to secure funding through the Department of Education and Training if it can be demonstrated the project will deliver outcomes for the school and wider community, however the likelihood of accessing funding and the amount that may be available is unknown.</li> </ul> <p>Based on the available information, the total estimated cost (high level only) of this option is \$1,245,000. If Council can sell the existing kindergarten site, the cost could be reduced to \$1,085,000.</p>

### 11.4.3 Option 3

<b>Option 3: Co-location of kindergarten infrastructure at both Toora Primary School and Welshpool and District Primary School with no increase in service capacity</b>	
Licence Capacity	The licenced capacity of both kindergartens is 22.
Facilities	New facilities to be developed at both sites will include a single kindergarten room with associated kitchen, bathroom and office facilities. The new infrastructure will be a modular addition to the existing infrastructure on the two school sites. The estimated size of the building footprint is 160 square metres at each site and the playground is additional to this.

Anticipated Operating Model	<p>The operating model will focus upon offering 3 and 4-year-old kindergarten, extended hours of care for children participating in the kindergarten program, before and after school care for children from the Primary School and possibly occasional care.</p> <p>PCCC could explore alternate operating models such as:</p> <ul style="list-style-type: none"> <li>• Continuing to offer programs that rotate between the two sites on a fortnightly basis</li> <li>• Delivering 3-year-old kindergarten at one site and 4-year-old kindergarten at the other site</li> <li>• Delivering integrated 3 and 4-year-old programs at both sites.</li> </ul>
<b>Primary Criteria</b>	
Current and Future Kindergarten Service Demand	<p>Current and future demand for 4-year-old kindergarten in Toora / Welshpool is expected to be between 10 and 14 children per annum, and the same is projected for 3-year-old kindergarten. The provision of kindergarten infrastructure at both schools will result in a substantial oversupply of infrastructure to support the current and future demand for 3 and 4-year-old kindergarten in these communities.</p>
Site Capacity and Existing Infrastructure	<p>Toora Primary School has substantial capacity to accommodate additional infrastructure and there is ample on and off-street car parking available. The existing buildings are only 10 years old, are in excellent condition and have capacity to accommodate a significantly larger number of students. The school currently has 31 students and is designed to cater for 90 students.</p> <p>Welshpool and District Primary School has good capacity to accommodate additional infrastructure and there is good off-street car parking available at the front of the school. The new infrastructure would be best located towards the front of the site facing South Gippsland Highway to facilitate easy access for construction and operation of the kindergarten service.</p> <p>The existing buildings are in variable condition. The main classrooms are modular and in good condition however, the indoor sports court and toilet block are in poor condition, and the original school buildings are old and present some functional challenges.</p>
Financial Viability Impacts for PCCC	<p>Assumes the service will operate at the current licence capacity of 22 children in Toora / Welshpool, with the program rotating between the two sites. The financial viability of the Toora / Welshpool Kindergarten Service is projected to decrease by an estimated \$7,000 under this option. However, if the kindergarten service is split into two services i.e. 11 children at Toora and 11 children at Welshpool, the viability is substantially increased because the State Government funding model provides a fixed amount of \$80,955 for a rural kindergarten with 1- 18 children. While this may be attractive financially, it means PCCC would then have two services where it may struggle operate a meaningful program because of the small number of children.</p>

	This is likely to be of concern to families and PCCC, and may result in families electing to access larger kindergarten services in Fish Creek and Foster.
Community Capacity and Impacts	<p>The South East Coastal district incorporating Toora and Welshpool experiences significant disadvantage, including increasing rates of unemployment, low levels of education, and low levels of home internet connection across the district. In Toora and Welshpool particularly, there is a high proportion of low-income households and high levels of housing stress. In addition, the proportion of children who are developmentally vulnerable in South Gippsland Shire is notably above the state average and this is not improving.</p> <p>The continued operation of kindergarten services in both townships will help to reduce or mitigate the impacts of this disadvantage. Families will not be required to travel to access kindergarten services reducing barriers to accessing services. Plus, the viability of the schools and wider township will remain constant, however this is unlikely to be strengthened as demand is low across the two townships.</p> <p>PCCC believe it will be easier to predict where families from Toora and Welshpool will elect to access kindergarten services because most families access the service closest to their home.</p>
<b>Secondary Criteria</b>	
Council Priorities	This option has some consistency with Council's priorities, in relation to supporting the development of smaller multi-purpose social infrastructure in smaller towns, establishing community hubs, and supporting families and children, however the lack of additional facilities such as a meeting room and consulting suites limits the flexibility and multiuse nature of the options which are key priorities for Council.
Proximity to Services	<p>Toora Primary School has very good proximity to a range of services. It is located alongside the Toora Swimming Pool and is only a short walk from the main business area which offers services such as medical, supermarket, post office, bank and cafés.</p> <p>Welshpool Primary School has limited access to services compared with Toora or Foster. The school is located approximately 1km from the main business area which includes services such as the general store, post office, café and the Rural Transaction Centre which acts an agent for Bendigo Bank and Centrelink.</p>
Opportunities for Service Synergies	<p>There are good opportunities for synergies because of the co-location with both schools, however these are more limited because of not having additional facilities (meeting room and consulting suite) in this option. Opportunities include:</p> <ul style="list-style-type: none"> <li>• Offering extended hours of care for kindergarten children, plus before and after school care for primary school aged children and possibly occasional care, although the viability of offering this model in both communities is questionable because of the low demand.</li> <li>• Providing a click and collect location for library services i.e. community members can order items online and collect them from the Kindergarten or return items to the Kindergarten.</li> </ul>

	<ul style="list-style-type: none"> <li>• Offering outreach library programs at times and days the kindergarten space is not being used for kindergarten purposes and / or incorporating outreach programs as part of the kindergarten program or the extended hours of care.</li> <li>• The kindergarten rooms being available for community use outside its usual hours of operation as a kindergarten.</li> <li>• The school and kindergarten service working together to deliver programs, share resources and manage the transition between kindergarten and school.</li> <li>• The existing partnership Toora Primary School has with Manna Gum Community House could continue in the main school building and parents involved with the Kindergarten program could become involved in the adult education options the Community House offers. There could also be opportunity to deliver the program at Welshpool and District Primary School.</li> </ul>
Governance and Management Models	<p>The governance and management arrangements are expected to be relatively straight forward in this option for both sites. It is based upon a co-located model where PCCC lease / licence the space from the school and manage the day to day operation of the kindergarten, extended hours of care, before and after school care, and occasional care. Shared use of some facilities, programs and resources would be possible with the school, but are not essential either to the operation of the school or the kindergarten.</p> <p>A Steering Committee consisting of representatives from PCCC, the School, Council and perhaps other community organisations could be established to facilitate co-operation between the school and kindergarten.</p> <p>A joint use agreement would be required between the Department of Education and Training and possibly Council and / or PCCC. The form and structure of this agreement is not known.</p>
Economic Impact Upon the Township	<p>This option performs neutrally in terms of economic impacts. It does not have detrimental effects on direct employment in either Toora or Welshpool.</p> <p>Instead it would result in a net increase in direct employment because there would be capacity to accommodate the 3-year-old kinder.</p>
<b>Cost Implications</b>	
Capital Investment Required	<p>The estimated high-level capital cost to deliver a 160m square modular building and playground at both Welshpool and District Primary School and Toora Primary School each with capacity for 23 and 22 children respectively is \$1,374,000.</p> <p>In relation to alternate funding sources:</p> <ul style="list-style-type: none"> <li>• If the Toora and Welshpool Kindergartens site is sold, it will achieve an estimated return of \$400,000. With new kindergarten infrastructure being developed at the schools, community opposition is likely to be minimal.</li> <li>• This option would not be eligible for funding through the Victorian State Government early years infrastructure grant program, nor is the project</li> </ul>

	<p>likely to be eligible for any funding associated with the roll out of funded 3-year-old kindergarten because of low demand for the service.</p> <ul style="list-style-type: none"><li>• There may be opportunity to secure funding through the Department of Education and Training if it can be demonstrated the project will deliver outcomes for the school and wider community, however the likelihood of accessing funding and the amount that may be available is unknown.</li></ul> <p>Based on the available information, the total estimated cost (high level only) of this option is \$974,000, assuming Council is able to sell the existing kindergarten sites.</p>
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## **Appendix A**

### **Detailed Economic Impact Assessment**

Provided as a separate attachment.

## Appendix A: Economic Impacts

*Economic impacts are associated with changes to the economy as a result of an action, investment or strategy.*

*The drivers of the economic activity in an area is population base (labour), investment (capital), and resources (typically minerals). In the short-term existing infrastructure could be regarded as a resource. Economic impacts of changes to the kindergarten service is measured in terms of:*

- 1. Changes in local employment generated by an increase in capital investment (maintenance, expansion, new construction) necessitated by the change in kindergarten services;*
- 2. Changes in spending by parents in the local area associated with changes in travel patterns from accessing kindergarten services in a different location;*
- 3. Changes in employment in a township associated with potential efficiencies from providing kindergarten services in a different location or in a different manner; and*
- 4. Changes in resident population if parents choose to move to a new location where accessing kindergarten services is more suitable for them.*

### A. Existing Conditions

#### A.1 BASE CASE

Because the economic impacts measure changes in economic activity, it is necessary to establish the base case, often described as the 'do nothing' option.

For the Toora and Welshpool Kindergarten service, the base case entails the continuation of the service run one week at Toora, the next week at Welshpool in the existing kindergarten facilities in Toora and Welshpool for an indefinite period of time. As of 2020, the base case would include three-year-old kinder as part of the service – this would be run as an integrated program with all children in the same room at the same time.

However, to do this would require the life of the existing infrastructure to be extended for 10 or more years through refurbishment of the buildings. The capacity of the kindergarten program remains unchanged. The capital expenditure to extend the life of the buildings is estimated at **\$745,000**. These works are assumed to be undertaken by a construction team based in Foster.

#### A.2 SCENARIOS

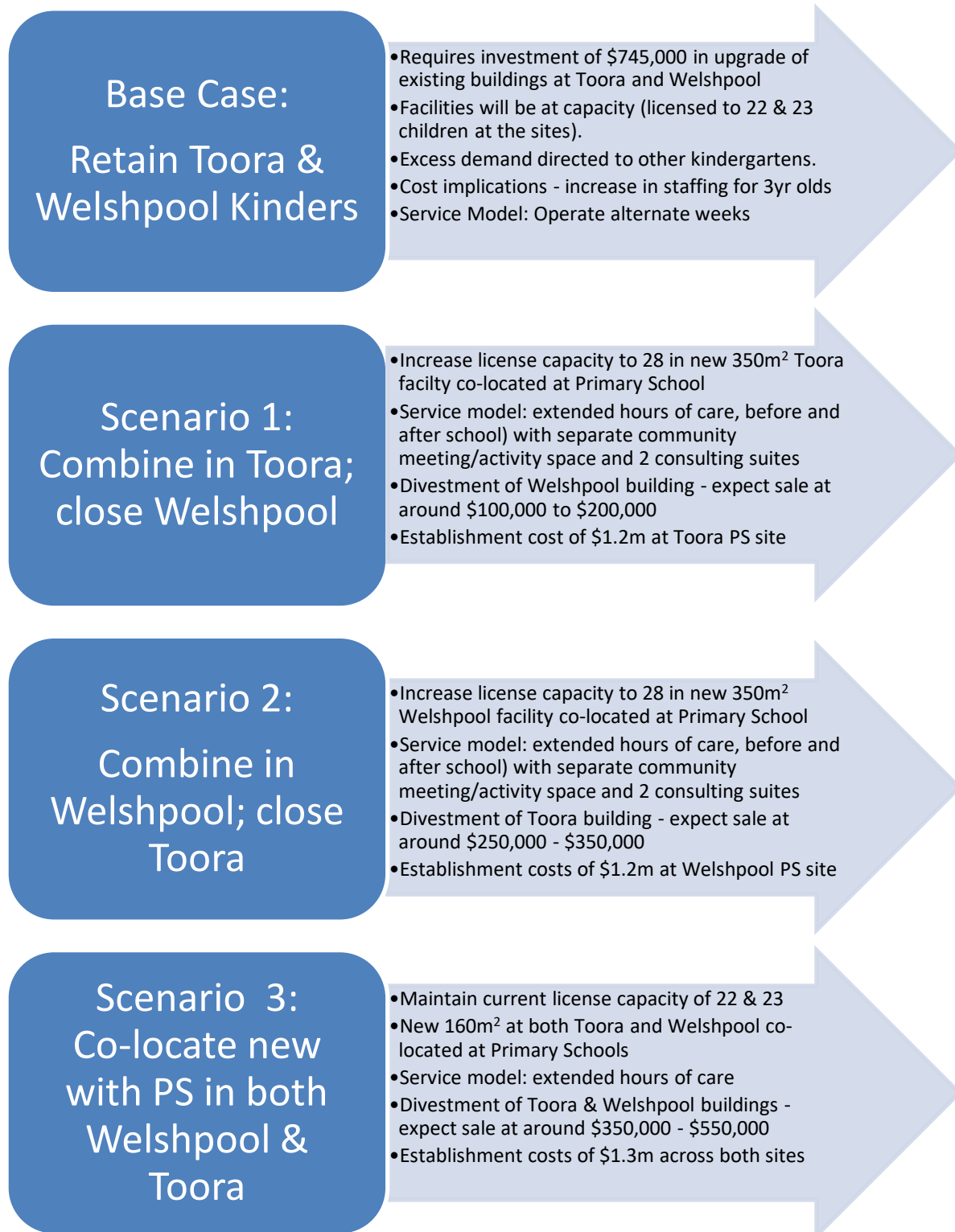
The three scenarios that have been investigated are detailed in section 11. For two of the scenarios, we have also explored a couple of permutations of how the overall scenario would play out. The base case, the scenarios and associated options are shown in Figure A-1 below.

- Do nothing except incorporate the 3-year-olds as the service is funded – base case
- **Scenario 1: Co-location of kindergarten infrastructure at Toora Primary School and closure kindergarten infrastructure in Welshpool.**
- **Scenario 2: Co-location of kindergarten infrastructure at Welshpool and District Primary School with no kindergarten infrastructure in Toora**
- **Scenario 3: Co-location of kindergarten infrastructure at both Toora Primary School and Welshpool and District Primary School but with no increase in the existing licence capacity of the service (23) and no additional facilities i.e. meeting room or consulting suites**





Figure A- 1: Options diagram<sup>1</sup>



<sup>1</sup> Sale value of Welshpool Kindergarten based on sale price of weekender for sale at 7 Main Street, Welshpool - \$135,000 for one-bedroom cottage (formerly curio shop and infant welfare centre) on 860m<sup>2</sup> - source: <https://www.realestate.com.au/property-house-vic-welshpool-128768462> . Sale value of Toora Kindergarten based on sale price of houses in Toora township which range from \$245,000 to \$299,000 and retail in Toora for sale at \$595,000



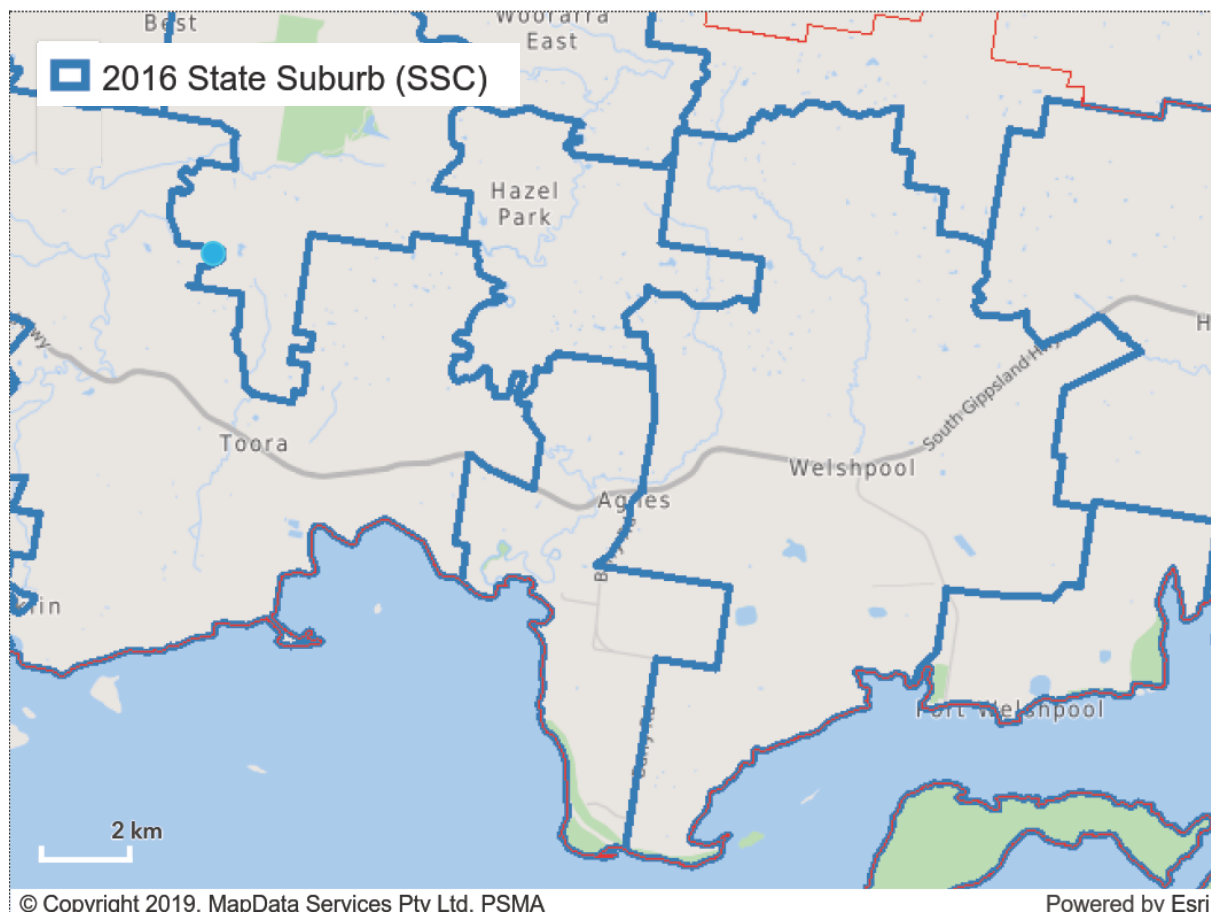
### A.3 POPULATION BASE

To establish the economic impact of changing the kindergarten service, it is necessary to define the base case. The base case is the 'do nothing' scenario. Under the 'do nothing' scenario, it will be necessary to undertake minimum repairs to the existing facilities and to accommodate children aged 3 years, as this service becomes funded.

The existing facilities and services are described in section 1.1. A cohort of 3-year-olds are expected to be accommodated in the same service model – integrated with the 4-year-olds - as 3-year-old kinder becomes funded at 15 hours per week.

The existing population base, and economic activity in the population catchment of the Toora/Welshpool kindergarten service is described below. The population catchment includes the townships of Toora, Welshpool and Port Welshpool. The catchment largely coincides with the statistical areas at State Suburb level of Toora, Hazel, Agnes, Welshpool and Port Welshpool.

*Figure A- 2: Map of kindergarten service catchment area, State Suburbs*



The population at State Suburb level within this area is shown in the table on the following page.



**Table 1: Population in kindergarten service catchment, 2016**

State Suburb	Population Census 2016
Toora	681
Agnes	57
Hazel Park	41
Welshpool	331
Port Welshpool	209
Total	1,319

Source: ABS Census Quickstats

There is minimal population growth in the region. For the South East Coastal District of South Gippsland, which includes Foster and Fish Creek as well as Toora, Welshpool and Port Welshpool, the population is forecast to increase from 5,482 to 5,838 or 6.48% over the 17 year from 2019 to 2036 (refer: <https://forecast.id.com.au/south-gippsland/about-forecast-areas/?WebID=160>). This is an increase of only some 20 people annually. Population growth in the area is likely to occur around Foster or in north eastern area of the South East Coastal District that is closer to other population centres. Population growth in and around the townships of Toora and Welshpool is therefore likely to be minimal in years to come. – between 0 and 5 people per annum spread over Toora, Welshpool, Port Welshpool and the rural areas of Agnes and Hazel Park.

In terms of kindergarten enrolments, a point worth noting is that not all children living in this catchment attend kindergarten in Toora/Welshpool. Some attend kindergarten in Foster, which is further from their home than Toora (for some of them) and Welshpool (for some of them). A mapping exercise linking place of enrolments and home address indicate that distance to the service is not the only deciding factor in choosing a kinder service. Feedback from the project reference group indicate that the service model and families' place of work are also deciding factors in choosing kindergarten services.

## A.4 TOWNSHIPS

To further understand the economic activity occurring in each township, a desktop audit of the townships' retail, businesses and organisations was undertaken.

### A.4.1 Toora

The township of Toora has a population of 681 in 2016, down from 687 in 2011. The area is experiencing a very gradual population decline. Population forecasts for the area is associated with a high degree of uncertainty, due to the small size of the population because population size is noticeably impacted by the move of one or two families.

Toora is a satellite town to Foster (population 1164 ABS Census 2016). Foster is located approximately 10km west of Toora, and provides a greater range of goods, services and jobs compared to Toora.

Toora businesses are shown in **Table 2** below and mainly comprise retail and services business along Stanley Street. Toora community institutions and organisations are also shown in the table, in the shaded area at the bottom of the table.



The Toora Kindergarten facility is also located in Stanley Street at the intersection with Gray Street – address: 25 Gray Street, Toora VIC 3962, and therefore contributes to the activity in the main street through parent drop off and pick up trips. The Toora Primary School is located at 5 Harriet Street, Toora, some 270 metres from the main street.

Employment at each of these businesses would typically be quite low – between 1 and 10 people including part time and casual staff. The exception is ViPlus Dairy Ltd which is estimated provide employment to approximately 60 locals (reference <https://viplusdairy.com.au/news> accessed 29/3/2019), although this employment is likely to fluctuate depending on seasonal milk supply. Overall, employment in Toora township is estimated at approximately 110, including the ViPlus Dairy.

**Table 2: Toora Businesses & Organisations**

Business Name	Address Toora VIC 3962	Industry
Toora Lodge Motel	4930 South Gippsland Hwy Toora	Accommodation
Latte Dah Cafe	2 Welshpool Rd, Toora	Café
Toora Tourist Park	9 Welshpool Rd, Toora	Caravan Park
Toora Pharmacy	1 Foster Rd, Toora	Pharmacy
Foodworks Supermarket	66 Stanley St, Toora	Supermarket
Royal Standard Hotel	69-71 Stanley St, Toora	Restaurant/ accommodation
Toora Newpower	52 Stanley St, Toora	Newsagent
Vintage Shop	53 Stanley St, Toora	Second hand goods
Toora Chinese Takeaway	57 Stanley St, Toora	Takeaway food
Styling on Stanley	46 Stanley St, Toora	Hair & Beauty services
Bendigo Bank	48 Stanley St, Toora	Financial services
Windmill Cafe	27 Stanley St, Toora	Café
Prom Coast H Hardware	31 Stanley St, Toora	Hardware shop
Australia Post – Toora LPO	15 Stanley St, Toora	Postal services
Rob Weatherill	26A Foster Rd, Toora	Auto body shop
ViPlus Dairy Pty Ltd	67 Toora Jetty Rd, Toora	Powder Milk, infant formula
Mauzie's Most Marvellous Vintage	27 Victoria St, Toora	Second hand goods
Saint Thomas' Anglican Church	7 Dutton St, Toora	Religious Services
Toora Bowling Club	55 Victoria St, Toora	Sporting Club
Toora Primary School	5 Harriet St, Toora	Education Services
Toora Kindergarten	25 Gray St, Toora	Education Services
Toora Public Swimming Pool	14 Cunningham St, Toora	Sporting Facilities

Source: Matters More



### A.4.2 Welshpool

The Welshpool township is a small settlement which dates back to the 1800s and is located around the junction of South Gippsland Highway and the road to Port Welshpool. Historically, this was the junction of the South Gippsland Railway (now closed and converted to a rail trail) to Melbourne from where goods were transported from Port Welshpool to Melbourne. The current population of the Welshpool area (State Suburb) is 331 (ABS, 2016). The population in the area has declined over the five-year period from 2011.

Welshpool businesses and Welshpool institutions and community organisations are shown in table 3 below; the community organisations in the shaded section at the bottom of the table.

Overall employment in Welshpool is estimated at approximately 25 people (this is a head count estimate that does not differentiate between full time and part time positions).

**Table 3 Welshpool Businesses & Organisations**

Business Name	Address Welshpool VIC 3966	Industry	Comments on employment
Welshpool Op Shop	12 Main St, Welshpool	Second hand goods	Volunteer
Welshpool Rural Transaction Centre	14 Main St, Welshpool	Banking, medical transactions, internet, meeting rooms	
September Baby: Boutique Gift Store	16 Main St, Welshpool	Retail	1 person
Welshpool Supermarket & Cafe	18 Main St, Welshpool	General store & cafe	
Australia Post – Welshpool LPO	20 Main St, Welshpool	Postal services	
Welshpool Motorcycles	19 Main St, Welshpool	Automotive repair & trade	
Welshpool Outdoors & Origin Gas Supplies	19 Main Street Welshpool	Mowers sale & service	
Welshpool Hotel Motel	21/23 Main St, Welshpool	Accommodation/ Restaurant	
Frances Greenaway Painter & Decorator	Welshpool	Trade: painting	1 part time
Prom Port Cottages	85 Port Welshpool Rd, Welshpool	Accommodation	1 part time
M & C Doran	16 Turnbull St, Port Welshpool	Trade: Carpentry	
Peter Stoitse Transport Pty Ltd	5920 S Gippsland Hwy, Welshpool	Transport services	
Welshpool Boat Storage	LOT 1 Port Welshpool Rd, Welshpool	Boat storage	1 part time
Welshpool Waste Disposal	Port Welshpool Rd, Welshpool	Waste disposal service, bin hire	Family run: 3 persons
Welshpool & District Primary School	5960 S Gippsland Hwy, Welshpool	Education services	Staffed
Welshpool Kindergarten	15 S Gippsland Hwy, Welshpool	Education services	Staffed
Kingdom Hall of Jehovah's Witnesses	12-14 Pedersen St, Welshpool	Religious services	
Welshpool Golf Club	Port Welshpool Road, Welshpool	Sporting facility	Volunteers
Welshpool Fire Station	Welshpool VIC	Community facility	Volunteers?

Source: Matters More

### A.4.3 Port Welshpool

A separate coastal settlement, Port Welshpool is located 5kms south of Welshpool on Port Welshpool Road. It is a quite compact coastal settlement although Port Welshpool does not have primary school or



kindergarten services. A list of businesses and organisations identified in Port Welshpool is shown in [Table 4](#) below. The Rural Transaction Services centre in Welshpool services both Welshpool and Port Welshpool with banking, social services, and public transport tickets transactions.

The population in Port Welshpool was 209 in 2016, which is an increase from 189 in 2011. This is the township population as the State Suburb only covers the township area and does not include any rural hinterland. Note that there was a small change in the Port Welshpool State Suburb boundary from 2011 to 2016 that could account for some of this change, but the coastal location is an attraction for retirees so net population growth is likely.

Port Welshpool businesses and Port Welshpool institutions and community organisations are shown in table 4 below; the community organisations in the shaded section at the bottom of the table.

**Table 4 Port Welshpool Businesses & Organisations**

Business Name	Address Port Welshpool VIC 3965	Industry	Comments on Employment
Long Jetty Caravan Park	Port Welshpool Rd, Port Welshpool	Accommodation	
Kerry Inn's Hairdressing	3 Smith St, Port Welshpool	Hair & beauty services	1 part time
Pier Port Hotel	85/91 Lewis St, Port Welshpool	Restaurant	
Gippsland Ports Port Welshpool Office	84 Lewis St, Port Welshpool	Office	
Australia Post – Port Welshpool LPO	93 Lewis St, Port Welshpool	Postal services	
Helen Nicholls Personal Training	Port Ferry Terminal	Fitness - Personal training	1 part time
Port Welshpool & District Bowling Club	22 Bowling Club Rd, Port Welshpool	Sporting facility	Volunteers
Port Welshpool District and Maritime Museum	12 Turnbull St, Port Welshpool	Museum	Volunteers

## B. Economic Impact Assessment

### B.1 DIRECT EMPLOYMENT IMPACTS

The most significant economic impact is change in direct employment in a township. This section examines direct employment impacts of the options. The direct employment impacts have been assessed over a period 10 years to allow detrimental or beneficial effects to percolate through the economy.

The following criterion have been used to assess the relative merit of each option:

- The option has to be at least neutral in terms of economic impact to the township over a 10-year period, i.e. no decrease in employment in the township.

A colour coding system has been applied to outline the economic impacts in terms of direct employment:



Green	Increase in direct employment equal to or greater than 0.6EFT in Toora and Welshpool combined (generated by 3-year-old kinder program), and no township has a decrease in direct employment.
Orange	Change in direct employment is between 0.1 and 0.5EFT in Toora and Welshpool combined i.e. smaller than the increase occasioned by the 3-year-old kinder program. And/or one township has decrease in direct employment.
Red	Net loss of direct employment 0.6FTE or more from Toora and Welshpool combined, i.e. employment with the advent of 3-year-old kinder program is lower than before it commenced. And/or one township has decrease in direct employment.

It has been necessary to make a number of assumptions to inform the economic impact assessment. These assumptions are listed and detailed below:

- Assumption 1: Removal of kindergarten services in a township reduces the direct employment in the township by 0.7 Full Time Equivalent (EFT)
- Assumption 2: The advent of 3-year old kinder will increase employment in the kinder program to 1 EFT per site (total of 2 EFT) without increase in licence capacity. This is part of the base case.
- Assumption 3: Removal of kindergarten services in a township impacts on the subsequent enrolment in the township's primary school by a factor that is assumed to be 3 children a year.
- Assumption 4: Reduction in primary school enrolment to 20 or less renders a primary school unviable (enrolment of 20 as required by the DET guidelines).
- Assumption 5: A primary school is assumed to provide direct employment of 3.6 EFT (this figure may vary year by year)
- Assumption 6: The construction of a new facility has no direct employment impact because the facilities that have been selected are prefabricated elsewhere and construction work will be carried out by workers that live outside of the Toora and Welshpool area (refer list of businesses in Toora and Welshpool).
- Assumption 7: A kindergarten building that is sold in Toora or Welshpool has no impact on the number of businesses operating in the township. While it is possible that a kindergarten building could potentially be used as business premises, the number of suitable premises that are available in each township indicate that there is no latent unmet demand for this type of business premises in Toora or Welshpool.
- Assumption 8: If no kindergarten is provided in Welshpool, almost all the children (90%) would access the kindergarten in Toora. If no kindergarten is provided in Welshpool, only about half the children (50%) would access kindergarten in Welshpool and instead opt for kindergarten in Foster.
- Assumption 9: If no primary school is provided in Welshpool, almost all the children (90%) would access primary school in Toora. If no primary school is provided in Toora, only about half the children (50%) would access primary school in Welshpool and instead opt for primary school in Foster.
- Assumption 10: Provision of consulting rooms and meeting room would increase employment in the township by 0.4EFT indicating that the consulting rooms would be used for 2 full days per week.



## B.2 ECONOMIC IMPACT OF OPTIONS

- Scenario 1: Co-location of kindergarten infrastructure at Toora Primary School and closure kindergarten infrastructure in Welshpool.
- Scenario 2: Co-location of kindergarten infrastructure at Welshpool and District Primary School with no kindergarten infrastructure in Toora
- Scenario 3: Co-location of kindergarten infrastructure at both Toora Primary School and Welshpool and District Primary School but with no increase in the existing licence capacity of the service (23) and no additional facilities i.e. meeting room or consulting suites.





Option 1a	Option 1b	Option 1c	Option 2a	Option 2b	Option 3
New modular structure built at Toora Primary School, with no increase in the licence capacity of the service (22) and no additional facilities	New modular structure built at Toora Primary School with increased licence capacity to 28, a community meeting room and 2 consulting suites	Kindergarten partially accommodated in existing infrastructure at Toora Primary School; no increase in the existing licence capacity of the service (22); no additional facilities	New modular structure built at Welshpool Primary School, with no increase in the existing licence capacity of the service (22) and no additional facilities	New modular structure built at Welshpool Primary School with increased licence capacity to 28, community meeting room and 2 consulting suites	Co-location of kindergarten infrastructure at both Toora and Welshpool Primary Schools, but no increase in the existing licence capacity of the service (23) and no additional facilities
<p>This option has no kindergarten services in Welshpool. Direct employment in Welshpool kinder decreases by 0.7EFT.</p> <p>With arrival of 3-year old program, 90% of the children that would have attended the combined service will attend. Net increase in kinder employment in Toora will be 90%of (0.7EFT + 0.6EFT) = 1.2EFT</p> <p>Welshpool PS will lose enrolment at the rate of 3 per year and after 4 – 5 years, Welshpool PS would be unviable, cease operation, resulting in further decrease of direct employment in Welshpool of 3.6EFT. Enrolment at Toora PS would increase as a result of the closure, with 90% of the children going to Toora PS. This will increase employment at Toora PS.</p>	<p>This option has no kindergarten services in Welshpool. Direct employment in Welshpool kinder decreases by 0.7EFT.</p> <p>With arrival of 3-year old program, 90% of the children that would have attended the combined service will attend. Net increase in kinder employment in Toora will be 90%of (0.7EFT + 0.6EFT) = 1.2EFT</p> <p>Kindergarten employment at Toora will increase with the consulting rooms activity. Economic impact on Welshpool is in the form of direct employment loss, first at the kinder (0.7EFT, and then at the school (3.6EFT). Employment in Toora will increase at the kindergarten in service provision and Allied Health and at the PS.</p>	<p>There will be no kindergarten services at Welshpool. Direct employment in Welshpool kinder decreases by 0.7EFT. With arrival of 3-year old program, 90% of the children that would have attended the combined service will attend. Net increase in kinder employment in Toora will be 90%of (0.7EFT + 0.6EFT) = 1.2EFT</p> <p>Welshpool PS will lose enrolment at a rate of 3 per year and after 4 – 5 years, Welshpool PS would be unviable, cease operation, resulting in further decrease of direct employment in Welshpool of 3.6EFT. Employment will increase at Toora kinder and PS. Employment loss at Welshpool kinder and PS.</p>	<p>This option has no kindergarten services in Toora. Direct employment in Toora kinder will decrease by 0.7EFT. Without a kinder, enrolment at Toora PS would decrease at a rate of 3 per year and after 7 – 8 years, Toora PS would be unviable, cease operation resulting in further decrease in employment at Toora. Employment in Welshpool will increase at the kinder and after 7 – 8 years at the PS. Not all the employment lost in Toora will be gained in Welshpool; half of the direct employment will leak to Foster instead.</p> <p>The impacts on Toora are delayed because the PS has higher enrolment than at Welshpool and is therefore more robust against removal of the kinder and associated enrolment loss.</p>	<p>This option has no kindergarten services in Toora. Direct employment in Toora kinder will decrease by 0.7EFT. Without a kinder, enrolment at Toora PS would decrease at a rate of 3 per year and after 7 – 8 years, Toora PS would be unviable, cease operation resulting in further decrease in employment at Toora. Employment in Welshpool will increase at the kinder, in Allied Health in consulting rooms and after 7-8 years at the PS. Not all the employment lost in Toora will be gained in Welshpool; half of the direct employment will instead leak to Foster.</p> <p>The assessment assumes that there is demand in Welshpool for 28 places; if this is not the case, the direct employment increase at Welshpool would lower.</p>	<p>This option performs neutrally in terms of economic impacts. It does not have detrimental effects on direct employment in either Toora or Welshpool. Instead it would result in a net increase in direct employment because there would be capacity to accommodate some of the 3-year-old kinder.</p>
Due to decline in Welshpool and leakage to Foster	0.3EFT increase in total net employment but decline in Welshpool	0.5EFT net loss in employment and decline in Welshpool	Net decline in Toora, PS close after 7 – 8 years, significant leakage to Foster	Net decline in Toora, PS close after 7 – 8 years, significant leakage to Foster	No net gain except from 3-year-old kinder program



### B.3 OTHER IMPACTS

The closure of a kindergarten program in either Toora or Welshpool will change the patronage of parents at either town. This is evidenced by surveys completed by a very small number of parents. The number of completed surveys is too small to provide a robust sample, however, responses indicated that parents undertook the following activities in connection with dropping off or picking up children:

- Coffee with friends
- Visit bank or post office
- Shop for groceries
- Lunch
- Exercise

These activities increase spending at businesses in Toora and Welshpool and thereby have an indirect impact on employment at these businesses. However, the magnitude of expenditure is relatively small in comparison with the direct employment impacts of a kinder program or primary school.

In terms of population growth, it is possible that future residents that may be thinking of establishing in Toora, Welshpool or the catchment area for the kindergarten could be influenced by the availability of kindergarten services. It is also likely as families often review the availability of services when choosing a place in which to establish. Absence of convenient kindergarten services may reduce young families from establishing in the area, however no data has been gathered as part of this study to determine the impact.