



# **Willoughby City Council**

## **EXTRAORDINARY COUNCIL MEETING**

### **AGENDA**

**NOTICE IS HEREBY GIVEN** that an  
Extraordinary Meeting of the Council  
will be a hybrid meeting, held both in person at Council Chamber  
Level 6, 31 Victor Street, Chatswood and online via Zoom

on 15 June 2022  
commencing at 6:00pm

The meeting is open to the Public

## TABLE OF CONTENTS

<b>TABLE OF CONTENTS .....</b>	<b>2</b>
<b>1 OPEN MEETING — ACKNOWLEDGEMENT OF COUNTRY .....</b>	<b>6</b>
<b>2 DISCLOSURES OF INTERESTS.....</b>	<b>6</b>
<b>3 APOLOGIES AND APPLICATIONS FOR A LEAVE OF ABSENCE BY COUNCILLORS .....</b>	<b>6</b>
<b>4 PUBLIC FORUM — MATTERS ON THE AGENDA.....</b>	<b>6</b>
<b>5 NOTICES OF MOTION .....</b>	<b>7</b>
5.1 NOTICE OF RESCISSION MOTION 01/2022 - BALES PARK OOSH.....	7
<b>6 CONCLUSION OF THE MEETING .....</b>	<b>25</b>

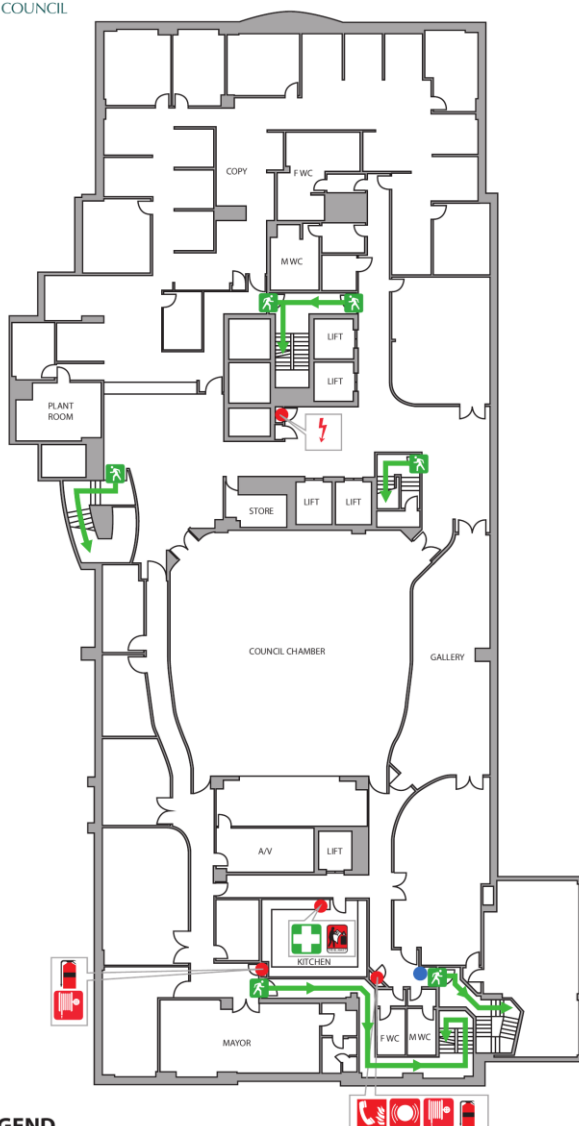
# WILLOUGHBY CITY COUNCIL

## Level 6 Floor Plan



### EVACUATION DIAGRAM

### COUNCIL CHAMBERS



#### LEGEND

	FIRE EXIT		EMERGENCY ASSEMBLY POINT
	STAIRS		EMERGENCY EXIT ROUTE
	YOU ARE HERE		FIRST AID KIT
	ELECTRICAL DISTRIBUTION BOARD		FIRE BLANKET
	FIRE HYDRANT		FIRE INDICATOR PANEL
	FIRE HOSE REEL		BREAK GLASS ALARM
	WARDEN INTERCOM POINT		CO2 FIRE EXTINGUISHER

### LEVEL 6

**Assembly Area 1:**  
Chatswood Mall, near Victor Street

**Assembly Area 2:**  
Garden of Remembrance



**Dial 000 for all emergency services**

Address: 31 Victor St, Chatswood  
Nearest Cross: Albert Ave

#### IN THE EVENT OF AN EMERGENCY

**R**emove any person from danger  
**A**lert staff and others  
**C**onfine smoke/fire and close doors  
**E**xtinguish fire, if safe to do so -  
If not, assist others and move to the Emergency Assembly Area.

#### EVACUATION PROCEDURES

**ALERT** BEEEP..BEEEP..BEEEP.

If you hear this sound you must be prepared to evacuate. Listen carefully to any instructions provided by Wardens and Staff.

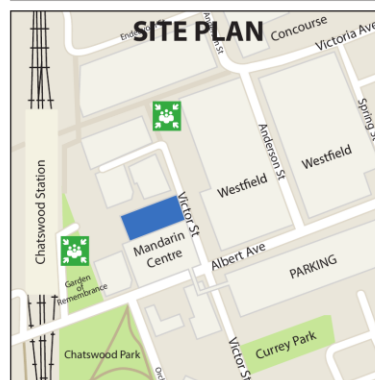
**EVACUATE** WOOP..WOOP..WOOP.

When you hear this sound you **MUST** evacuate using the nearest Fire Exit. Do not run and do not use any Lifts. If you need assistance to evacuate advise the nearest Staff member.

Listen carefully to any instructions provided by Wardens and Staff.

This diagram identifies the nearest Exit and the alternate Fire Exit as well. You must proceed to the Emergency Assembly Area and wait for further instruction.

**DO NOT PANIC**



www.beauresolutions.com.au  
Ph 1300 71 81 31

Date of Issue: 12-2014  
Date of Review: 12-2017

NOT DRAWN TO SCALE



# COUNCIL CHAMBERS

CUSTOMER AND CORPORATE DIRECTOR	MAYOR	CHIEF EXECUTIVE OFFICER
M Kenyon	Clr T Taylor	D Just

Clr G Roussac	N A R E M B U R N	M I D D L E  H A R B O U R	Clr R Samuel
Clr N Wright			Clr A Rozos
Clr A Greco			Clr S Mouradian
Clr H Eriksson	S A I L O R S  B A Y	W E S T	Clr C Campbell
Clr J Moratelli			Clr B Zhu Deputy Mayor
Clr R McCullagh			Clr J Xia

Council  
Staff



## Council Chamber Protocol

Ordinary Council Meetings are held on the second Monday of the month.

All meetings are open to the public except for items that, in the Council's opinion, are confidential, in accordance with Section 10A of the *Local Government Act 1993*.

- The Council meeting is in progress once the Mayor declares the meeting open and until the Mayor declares the meeting closed. Members of the public are asked to remain silent when the Council meeting is in progress.
- Members of the public can request that an item be discussed early in the meeting by approaching a Council Officer or Councillor prior to the meeting commencing. The decision to bring forward an item rests with the Mayor. Members of the public are not permitted to approach Councillors while the Council meeting is in progress. Having a matter brought forward in the Council meeting does not give a person the right to address Council on that matter.
- You may address Council at a Council meeting in one of two ways:
  - **Open Forum** – allows people to address Council for up to three (3) minutes on any topic relating to Council's activities or Willoughby generally. Members of the public cannot use the Open Forum to speak about an item on the agenda. Requests to speak at Open Forum can be made by completing the on-line form on Council's website before noon on the day of the meeting.
  - **Public Forum** – allows people to address Council for up to three (3) minutes in relation to a specific matter on the agenda. People wishing to address must complete the on-line form on Council's website before noon on the day of the meeting. The decision as to whether or not the person will be heard rests with the Council.
- You are able to distribute additional papers to Councillors prior to a Council meeting via the on-line Request to Address Council Meetings form or via email, post or delivered to Council chambers by noon on the day of the meeting. No additional papers can be distributed to Councillors after 5:00pm on the evening of the Council meeting except in exceptional circumstances agreed by the Chief Executive Officer and the Mayor.
- Please ensure that all mobile phones are turned **off** whilst you are in the Council Chamber. Note that mobile phones or any other recording device are not to be used to record any part of the Council Meeting.
- **Guidelines for Speakers** – When addressing the Council, please remember to be courteous. Comments made by participants in any Council meeting, which are derogatory or damaging to any person's character or reputation, including any Councillor, employee of the Council, or member of the public, may be defamatory and may subject the participant to an action for defamation. Comments made during the course of a Council meeting are not protected by the defence of absolute privilege under the *Defamation Act 2005*, and may not attract any other defences available under that Act or the common law. Every Council meeting is recorded and applications to access such recordings can be made under the *Government Information (Public Access) Act 2009 (GIPA Act)*.
- **Webcasting** – The proceedings of all Council meetings in open session, including all debate and addresses by the public, are recorded and webcast live on Council's website for the purpose of facilitating community access. Webcast archives are stored and available to the public on Council's website for two years, after which time the recordings may be disclosed under the provision of the *GIPA Act*.

Members of the public attending a Council meeting may have their image, voice and personal information (including name and address) recorded, publicly broadcast and archived for two years. By attending a Council meeting, whether by addressing the Council or as an observer or other interested party, members of the public consent to this use of their image, voice and personal information.

---

**1 OPEN MEETING — ACKNOWLEDGEMENT OF COUNTRY**

---

As a sign of respect, Willoughby City Council acknowledges the traditional inhabitants of the land on which we stand, the Aboriginal people, their spirits and ancestors. We acknowledge the vital contribution indigenous people and cultures have made and still make to the nation we share, Australia.

---

**2 DISCLOSURES OF INTERESTS**

---

In accordance with Part 16 of the Code of Meeting Practice, all Councillors must disclose and manage any conflicts of interest they may have in matters being considered at the meeting.

---

**3 APOLOGIES AND APPLICATIONS FOR A LEAVE OF ABSENCE BY COUNCILLORS**

---

**4 PUBLIC FORUM — MATTERS ON THE AGENDA**

---

Public Forum allows members of the public to address Council for a maximum of three (3) minutes on an issue on the Agenda.

---

**5 NOTICES OF MOTION****5.1 NOTICE OF RESCISSION MOTION 01/2022 - BALES PARK OOSH**

<b>ATTACHMENTS:</b>	<b>1. UTILISATION OF OOSH SERVICES 2017-2022 2. OVERALL FINANCIAL PERFORMANCE OOSH SERVICES 2017 – 2022 3. FINANCIAL PERFORMANCE INDIVIDUAL OOSH 2019-2022 4. SUMMARY OF COMMUNITY CONCERNS</b>
<b>RESPONSIBLE OFFICER:</b>	<b>SAMANTHA CONNOR – ACTING COMMUNITY, CULTURE AND LEISURE DIRECTOR</b>
<b>AUTHOR:</b>	<b>MICHAEL CASHIN – COMMUNITY LIFE MANAGER</b>
<b>CITY STRATEGY OUTCOME:</b>	<b>5.4 – ANTICIPATE AND RESPOND TO CHANGING COMMUNITY AND CUSTOMER NEEDS</b>
<b>MEETING DATE:</b>	<b>15 JUNE 2022</b>

**1. PURPOSE OF REPORT**

Councillors Greco, Rozos and McCullagh have indicated their intention to move the following Notice of Motion.

**2. MOTION**

**That Council:**

- 1. Pursuant to notice, rescind the following resolution of Council, made on 23 May 2022, relating to Item 17.2: Confidential – Review of Services Operating Model:**

***“That Council:***

- 1. Endorse the cessation of services at the Bales Park OOSH from 1 July 2022, due to low patronage and unsustainable financial performance and to mitigate risk to Council.***
- 2. Authorise the Chief Executive Officer to conduct an Expression of Interest to source a qualified childcare operator to lease the Bales Park Pavilion.***
- 3. Delegate authority to the Chief Executive Officer to enter into a lease agreement with the successful operator, subject to the lease value being within a range determined by an independent valuation.***
- 4. Proceeds with recommendations 1-3 in the officer’s confidential report, and make these recommendations public once key stakeholders have been informed.”***

2. **Should the Rescission Motion be carried, notice is given that the following motion shall be moved:**

**That Council:**

1. **Continue its service offering at the Bales Park OOSH from 1 July 2022.**
2. **Notify customers of the OOSH service and Willoughby residents, via the Council's website, social media and any other appropriate avenues, of this decision and that Council is considering the outsourcing of this service to a private operator and provide an opportunity for feedback.**
3. **Continue to monitor the patronage and financial performance at the Bales Park OOSH, with a further report on these matters and any feedback, to be presented to Council no later than the end of Term 3.**

### **3. BACKGROUND**

Subsequent, to the decision made in good faith by Council on 23 May 2022, relating to Item 17.2: Confidential – Review of Services Operating Model, the following areas of concern should be addressed by Council for fair and equitable decision making on behalf of citizens of Willoughby City Council (WCC)

- 11 letters to Councillors/council office raising concerns for the closure of Bales park OOSH centre.
- 328 petitioners (as at 8/6/2022) calling for the retention of the Bales Park OOSH Service, exploring other options rather than closure and a call for interim provisions for until the year end.
- Financial modelling does not support closure at 1 July as the cost efficiencies do not offset revenue received from parents (see below estimation).
- Evidence from parents no not support availability of OOSH service at alternate providers (Willoughby Kids House, Helping Hands Network, Inspire Program Australia) as advised by council's Office.
- Decline of OOSH utilisation at Bales Park is consistent with the decline of service utilisation across all OOSH Services.
- Comparative data in 2017 to 2022 does not refer to the COVID impact and does not reference a similar trend across the OOSH industry as a whole.
- Operating loss at Bales is reported to be \$17p.a. second to Artarmon OOSH operating loss at \$40K p.a However Bales Park is unfairly singled out for closure before other options are considered, and family needs assessed.
- OOSH services at Artarmon and Chatswood were given 6-month notice regarding change of WCC OOSH service policy. However Bales OOSH parents were unfairly given only 5 weeks' notice of termination of service on 26 May. OOSH service terminates on 1 July 2022.



- Bales OOSH Service is not geographically in competition with other WCC or identified commercial OOSH services. Bales park OOSH services families of the Bales Park area.

### **The Parents Collective, Bales Park OOSH**

The Willoughby City council operates an after school care facility at the Bales Park Pavilion in North Willoughby, that has been a pillar of support for the community and parents of children from the local public school (Willoughby Public). Bales Park OOSH is a home away from home, after school care service where children come to spend time with friends, join in activities, learn new skills and overall have fun. The city council has decided to shut down the service by the end of Term 2, 2022 citing the reason that the it is no longer a viable business/service and sharp rise in competing private services. This is a petition to the Willoughby City Council to stay the decision till the voice of the parent community is heard and reconsider the decision.

The parents of the community have been notified of the closure with no consultation or advanced notice other than the remaining 4 weeks of Term 2 after which the service will no longer operate. The reasons provided include dwindling enrolment and financial non viability to run this service with growing privately run local competitions.

We put forward the following strong reasons for this decision to be overturned or at the very least, put on hold till community consultation:

1. Covid has put unsurmountable pressures on local child care services and businesses everywhere and as the government works tirelessly to revive the community, it seems shocking that a well-run and well regarded council service will be shut down due to business viability over service and value provided to the community.
2. It has only been in the recent past few months that many parents have been encouraged to return back to the office and many are still navigating the unpredictable guidelines to make longer term arrangements back with childcare. In the light of these, we believe this is the wrong time to baseline enrolment numbers and make hasty decisions that impact parents adversely.
3. The mental health of children in the local community is of huge importance, particularly following two years of uncertainty and instability due to the impact of COVID-19. Bales park OOSH is also home to many children who are neurodiverse and receive the care and attention they deserve. Forcing them to change from a stable and familiar childcare and potentially move into facilities with large number of children can lead to huge negative outcomes for both the children and the parents.
4. Bales OOSH is the only service provides that rates Exceeds Expectations under the National Quality Framework. This is due to the fact that the staff is exemplary and have been long serving staff for many years with ZERO staff churns. The other alternatives suggested by the city council have lower NQF ratings with known challenges and negative reviews from the local parents, who would be happy to state their dissatisfaction ranging from – High churn an staff shortages, low skilling of temporary staff resulting in poor engagement with children and high costs due to hobby classes included.

5. The City council is advocating for the privately run service providers through support for transition, however these alternative options are at current capacity for certain days of the week, which poses a deep challenge for parents who rely on the service for all days of the week due to the nature of their jobs.
6. Bales Park serves a unique geographic proximity for families in and around north Willoughby and lower Chatswood, this specific geofence has no alternative service provider of the same nature and proximity. Moving to providers further away defeats the purpose of providing localised childcare services and forced parents to have to drive to pick up children after a long day's work.
7. Unstable childcare arrangements put parents at job specific and financial risks as we rely on the council run services to provide us a stable and reliable afterschool care. We are able to share personal impacts and job impacts to the city council due to this drastic decision to shut down Bales Park OOSH.
8. The closure of Bales Park after school care goes against many outcomes outlined in the Our Future Willoughby 2028 plan.
  - a. **Outcome 1** details a priority to promote sustainable lifestyles and practices, and to create and enhance green spaces. Bales Park after school care has a strong focus on sustainability and has taught children about planting and caring for green spaces. Many families choose Bales Park after school care because it is within walking distance of their homes. Requiring them to use services further away would mean they would need to drive to pick up children. This would increase traffic and congestion at peak hour (see outcome 2 - reduce parking and traffic congestion). Outcome 1 facts and considerations outline there will be an expected 11,872 more people in Willoughby by 2036. Closing an essential service would be short-sighted given this prior knowledge.
  - b. **Outcome 2** aims to reduce parking and traffic congestion and to create family-friendly neighbourhoods that connect people. As pointed out above, Bales Park after school care is a fantastic and inclusive community. It allows space for the families using the service to connect and form lasting relationships. It also allows the children within the service to form a community outside their year group. Closing Bales Park after school care would mean parents who are not close to other after school care services would be more likely to drive to pick up their children from after school care.
  - c. **Outcome 3** includes creating recreation spaces for all. At a time where Willoughby leisure is closing for renovation, keeping the council-run after school care service is integral to local children having a recreation space. During after school care, children at Bales Park use the oval and the outdoor area for recreation and exercise. This also ties in with 3.3 - promoting an active and healthy lifestyle. Outcome 3 also includes a priority to create desirable places to be and enjoy, as well as to maintain quality of life by balancing population growth with the provision of assets and services. We would see these outcomes as aligned with keeping community-based, council-run after school care services running and prioritised to ensure the quality of childcare within the Willoughby area.

**Financial Modelling:**

Based on the additional information given on Monday night and closing the centre on 1 July 2022, I estimate cost to WCC is about \$44,640. However continuing OOSH until end of term 4 will cost WCC only \$11,360 because of the income received to offset expenses.

I have done a simple high level calculation for the additional 2 terms of OOSH. I.e. 20 weeks. The loss of income per week is \$2,232 and over 20 weeks is \$44,640 I feel the cost efficiencies of closing OOSH on 1 July must be equal or better than the loss of revenue from parents. In the calculation below I've assumed staff cost for 4 employees, ie 2 at Bales and another 2 casuals that won't be replaced. I have assumed staff employed from 2pm to 6 pm

I have kept the example simple for illustration purposes. Expenses such as electricity, insurance, maintenance will be minor expenses for a 6-month period. Therefore if the calculation below is substantively incorrect please advise of the cost efficiencies identified to offset the loss of revenue that will be received from parents if the OOSH remains open until end of term 4. Thank you.

	2pm to 6pm	equivalent staff		Monday	Tuesday	Wednesday	Thursday	Friday
income per child				\$ 31.00	\$ 31.00	\$ 31.00	\$ 31.00	\$ 31.00
	4	4	\$35					
Staff cost			\$2,800	\$560	\$560	\$560	\$560	\$560
Kids per day				16	16	16	16	8
Income		*	\$2,232	496	496	496	496	248
Profit (Loss) per week with income relief			-\$568	-\$64	-\$64	-\$64	-\$64	-\$312
2 more terms 20 weeks			-\$11,360					
Savings 2 staff cost			\$1,400					
Cost staff retained			-\$1,400					
Loss of income			-\$2,232					
equivalent cost			-\$2,232					
2 more terms 20 weeks			-\$44,640					

#### 4. OFFICER'S COMMENTS

On 23 May, 2022, the Council resolved to cease the operation of Bales Park OOSH on 1 July, 2022. This decision followed two briefings for Councillors on 9 May and 16 May formed one part of a Financial Repair Strategy, initiated to reduce the 2022-23 operating budget deficit and improve the long-term financial sustainability of Council. It also accords with the practice of reviewing services on a regular basis for their alignment to Council's core roles, changes to the operating environment, the availability of alternative providers, efficiency, financial impact and risk to Council, as well as impacts on users.

A review of OOSH service provision was required regardless of the current financial imperatives, in order to respond to declining use of the service over a number of years. Council regularly conducts operational reviews of direct service provision to ensure value for money, mitigate operational risk and to accord with the Council's strategic direction.

The provision of non-essential services increases the risk profile of Council. Some non-essential services provided by Council also compete with local businesses and are therefore subject to the provisions of the *National Competition Policy* to ensure competitive neutrality, to ensure that Council does not compete with businesses with an unfair advantage.

Councillors received a briefing on the performance of OOSH and other services on 16 May, 2022. This briefing explored the options available to the Council in relation to OOSH Services to ensure that community expectations, customer experience and social benefits were considered and maintained. Officers reviewed the performance of the OOSH against the following outcomes:

- Financial Repair
- Exit from loss making services
- Reduction of non-essential services
- Reduction to the risk profile of Council
- Compliance with competitive neutrality principles
- Community expectations, customer experience and social benefits
- Strategic value of the associated property assets.

##### **Summary of Out of School Hours Care (OOSH)**

Council operates Out of School Hours Care (OOSH) at three locations in Council facilities and off-site from school grounds:

- Artarmon Kids Cottage (80 places)
- Bales Park Pavilion (45 places)
- Chatswood (55 places).

These services employ 6.6 full time equivalent staff. The services operate from multi-use community facilities which are shared with community users and available for venue hire. There are an additional 16 providers of OOSH across the City with capacity for 1378 places.

##### **Declining Demand**

Council established OOSH services in the 1980s. The services were established on a site by site basis in response to local demand and prior to the establishment of OOSH services on local school campus.

The *Community Perceptions Survey 2020* noted Council operated childcare as a low priority for the community. Many other councils have also made the decision to reduce or exit OOSH service provision, with only 6.7% of OOSH provision in NSW provided by local government. (Source: Deloitte Economics 2021).

The introduction of the Commonwealth Child Care Subsidy to subsidise the cost of OOSH for families resulted in a prolific increase in OOSH providers entering of the market. More recently, State government policy has sought to increase the provision of OOSH on school campus. The Department of Education is currently running a pilot to explore the extension of the school day beyond 3pm.

Council's OOSH services utilisation has declined over the past 5 years, attributable to the number of OOSH services located within or near to local primary school campuses and the prevalence of flexible working arrangements for parents and carers.

The utilisation of Council's OOSH services is provided in **Attachment 1**. Key points relating to the analysis are:

The current utilisation of OOSH services is 40%, with an average of 73 of 180 available places currently used. Utilisation rates at Artarmon and Chatswood OOSH services have declined as a result of changing work patterns of parents during COVID-19. Bales Park OOSH, while also impacted by COVID-19, has seen a steady decline in utilisation rates since 2018. The decline in average annual utilisation rates from 2017 to 2022 are:

- Artarmon from 70 to 30
- Chatswood from 50 to 22
- Bales Park from 43 to 17

The recent COVID pandemic perpetuated the decline in use. These events highlight the susceptibility of the sector and Council services to longer term market forces and future periodic disruption, signifying that the ongoing provision of OOSH unnecessarily increases the risk profile of Council.

Given the availability of alternate providers, the change in OOSH consumer patterns and shifting community priorities, the operation of OOSH is no longer viewed as a core service offering of Council, nor is it required to satisfy unmet service demand for residents.

### Financial Performance

The overall financial performance of OOSH services from 2017 is provided in **Attachment 2**. Key points relating to the financial analysis are:

- OOSH services averaged a gross surplus of **\$500k p.a.** over the four years to 2020
- The OOSH services financial result has been reduced to **\$24k** in 2020-21 due to reduced utilisation
- OOSH services year to date result to as at 9 June, 2022 is a deficit of **\$53k**

The overall financial performance of individual OOSH services from 2019 is provided in **Attachment 3**. Key points relating to each service are:

- **Artarmon** OOSH average surplus has reduced from **\$155k p.a.** in 2019-20 to a **\$35k p.a.** deficit in 2021-22.
- **Bales Park** OOSH average surplus has reduced from **\$66k p.a.** in 2019-21 to a **\$43k p.a.** deficit in 2022.
- **Chatswood** OOSH average surplus has reduced from **\$70k p.a.** in 2019-21 to a **\$25k p.a.** surplus in 2021-22.

The decreased financial performance of OOSH services presents a future financial risk to Council if left unaddressed, increasing the operational risk to Council without significant benefit.

It is noteworthy in the that the financial performance of the Bales Park service has further decreased in the quarter from a forecast **\$17k** deficit at the third quarter budget review, to a year to date deficit of **\$43k**, as at 9 June, 2022. In contrast, the performance of Artarmon has improved by \$5k and Chatswood by \$17k in the same period from quarter 3 forecasts.

### Business Improvements

Options to improve the performance of OOSH were presented to Councillors at the 23 May, 2022 Council meeting. The option endorsed by the Council recommended business improvement measures, combined with a strategic withdrawal from service delivery on a site-by-site basis, assessed by the performance, viability and strategic importance of each site as summarised by service below.

#### Artarmon OOSH:

Artarmon OOSH is situated in purpose built multi-use community facility, which is of strategic importance to Council. The current utilisation of the service is 32% with an average of 26 children attending per day.

The proximity of the service to employment lands, the Royal North Shore health precinct and high density housing, combined with the demographic profile of the suburb and a lower number of competitors, indicate that the demand for the service will return. This is supported by the improving financial position outlined in the previous section. Analysis of the operational performance indicates the performance at Artarmon OOSH can be improved by:

- Reducing staff costs
- The redeployment of staff from Bales Park to alternate sites on days with low demand
- Rostering improvements to reduce casual expenses
- A reduction in casual costs due to the redeployment of staff
- Increased marketing

The impact of these improvements is likely to yield an improved performance of \$70kp p.a. providing an estimated \$30k p.a. surplus to the 2022/23 financial position.

It was recommended that officers implement these improvements and monitor the performance of the Artarmon OOSH service. If an operating deficit persists, further options can be explored with the Council. Progress will be reported via the Quarterly Budget Review.

**Bales Park OOSH:**

Bales Park has a low number of children using the service with an average of 16 children attending per day which is a 35% utilisation rate. OOSH ratios are required to have one educator for every 15 children with a minimum of two staff required to provide care for each shift. With such low numbers this results in the inefficient and inequitable allocation of staff between the three OOSH services operated by Council.

The location of the service is a 1km walk from Willoughby Public School. There are a number of other OOSH providers, with whom Council competes for business, located on or near the school grounds. These providers have adequate vacancies to accommodate children currently attending Bales Park OOSH. Based on these circumstances, it is considered unlikely that demand for the service will return to a level to ensure an operating surplus.

The Bales Park facility is suitable to be leased as preschool. Officers are aware of local community pre-schools with an interest in securing a new location. Based on income received from the leasing of similar Council facilities, a lease fee of \$50k p.a. is achievable for this facility.

It was recommended that Council cease the operation of Bales Park OOSH from 30 June 2022, due to low patronage and unsustainable financial performance, and conduct an Expression of Interest process to secure a lease with a pre-school operator.

The Bales Park staff can be redeployed at alternate OOSH sites, the expense of which would be offset by a reduction in casual use at these services, mitigating any staffing implication arising from ceasing the service.

The impact of these improvements is likely to yield an improved annual performance of \$93k p.a. providing an estimated \$50k p.a. surplus to the financial position for the total OOSH services provided by Council.

**Chatswood OOSH:**

Chatswood OOSH has a utilisation rate of 56% with an average of 31 children attending per day. The service is in close walking distance to Chatswood Public School. Demand for the service remains steady with a slowly increasing trend.

The service relies on casual staff more so than other locations. The re-deployment of staff to this service will assist to improve the overall expenditure of OOSH services and reduce casual expenses at this location. Further rostering improvements and management of leave accrual will assist to improve the financial performance.

**Financial Implications of continuation of Bales Park**

Should the rescission motion and the subsequent notice of motion proposes that Bales Park OOSH continues operation and users be advised of Council's intention to outsource the service. Based on the current performance, this would incur a minimum annual deficit of **\$43k**. This would perpetuate the subsidisation of users of this service in a way that is inequitable.

It is likely that utilisation of the service will further decline, given that families have been notified of the 23 May, 2022 decision to cease the service on 1 July, 2022 and the uncertainty of securing an alternate provider should the proposed motion be endorsed by the Council. As such, modelling has been provided below of the impact of a further 25% and 50% reduction in utilisation at Bales Park in **Figure 1**. The increase in direct costs shown in Figure 1 are as a result of CPI, wage increases and cost of materials.

**Figure 1 - Scenario Modelling Bales Park OOSH (\$000)**

	YTD 2021-22	2022-23 25% reduction	2022-23 50% reduction
<b>Income</b>	101	82	55
<b>Direct Costs</b>	144	155	155
<b>Surplus / -Deficit</b>	<b>-43</b>	<b>-73</b>	<b>-100</b>

**Impact on other Council OOSH Services**

The continuation of Bales Park OOSH also has implications for the improvements proposed to the Artarmon and Chatswood services. A key factor in these business improvements is the redeployment of Bales Park staff to these locations in order to reduce casual expenses, assist with the management of excess leave and the expertise of existing Bales Park staff to improve programing.

A summary of the recommended improvements to OOSH compared to the measures proposed by the rescission motion and proposed alternative motion is provided in **Figure 2**. These figures include analysis of the reduced benefit to other OOSH locations should Bales Park continue operation beyond 1 July 2022.

**Figure 2 - Summary of Recommended Improvements and Scenario Modelling (\$000)**

Service	Current Result	Result of Motion:		2022-23 Result	Annual Improvement
	YTD at 9 June 2022	<b>Scenario A: Continue Bales Park (25% reduced attendance)</b>	<b>Scenario B: Continue Bales Park (50% reduced attendance)</b>	No change to Council resolution	No change to Council resolution
Artarmon	-35	-15	-15	35	70
Bales Park	-43	- 73	-100	68 (avoid 43k deficit & gain 6mths lease fee of 25k)	93
Chatswood	25	43	43	63	38
<b>Total</b>	<b>-53</b>	<b>-45</b>	<b>-72</b>	<b>166</b>	<b>201</b>

The current year to date losses in OOSH are **\$53k**.

Improved performance at Artarmon and Chatswood OOSH are factored into the scenarios, however if Bales continues as per the rescission motion, the full benefits of improvements proposed are not realised and a deficit of between **\$43k** and **\$100k** will be incurred.

Should the should the resolution from 23 May 2022 meeting remain, the improvement to the 2022 result will be \$166k, with an ongoing improvement to the budget of \$201k in subsequent years.



### Alternate OOSH Services

Bales Park services Willoughby Public School. The current OOSH services servicing this school are detailed in **Figure 3**.

**Figure 3 - OOSH Services - Willoughby Public School.**

Service	Location	Licensed Places	Current Utilisation	Available Places
Bales Park	Bales Park	45	17	28
Kids House	Adjacent to school	30	27	3 (no availability Thursdays)
Helping Hands	Onsite	158	90	68
Inspire	Willoughby Park Centre	83	45	40 (currently does not operate Friday)

Figure 2 demonstrates that alternate services have sufficient availability to service existing Bales Park families. Helping Hands, the onsite provider has sufficient capacity to take all Bales Park families as a group. Families are required to register with Helping Hands for Term 3, 2022 to ensure required staffing levels can be in place for the commencement of Term 3.

Some of these services are experiencing a decline in usage, with some reporting minor financial distress. It is noteworthy that Service NSW has offered a \$500 voucher to subsidise the cost of OOSH for families from March 2022. However, these vouchers have not greatly increased the utilisation of OOSH services.

A factor in the decision to cease Bales Park OOSH, was the decreased utilisation of other providers servicing Willoughby Public School. The continued operation of a Bales Park at a loss in direct competition with these services contrary to the provisions of competitive neutrality.

The competitive neutrality conflict is best explained in the context of Inspire OOSH. Inspire operates from a Willoughby Park Centre, a Council owned venue. Inspire pays Council an annual license fee for the use of the centre. Inspire and Council both draw from pupils of Willoughby Public School. In this scenario, Council is both landlord and competitor to Inspire, and is operating at a deficit in a competitive market. Aside from this conflict, the continued operation of Bales Park may perpetuate the decline in utilisation for other providers.

### Outsourcing Bales Park OOSH

The notice of motion in this report proposes that Bales Park OOSH continues operation and users be advised of Council's intention to outsource the service via an Expression of Interest process. As existing services are currently underutilised, the emergence of a new provider will likely compete with existing providers for existing users of OOSH and further distress these providers.

Given the current Bales Park service operates at a loss, and the availability of onsite providers with capacity, the ability to outsource the service is questionable.

The current resolution includes the option to licence the Bales Park facility to Pre-School via an EOI process. This option is seen as viable as pre-school utilisation is increasing, in response to increase workplace flexibility giving families choice of pre-school attendance as an option over long day care. This option also retains the venue as multi-use community facility available for hire and use by local sporting clubs.

**Response to Community Concerns**

A number of community concerns have been raised with Council since the announcement to cease provision of Bales Park OOSH. A summary of responses to these concerns is provided in **Attachment 4**.

It is acknowledged by Council that the cessation of the service will have an impact on these families and that these impacts cannot be reasonably mitigated for all families. Council officers have contacted Bales Park families to address these concerns and to assist with transition of families to alternate services if required. Should the service close on 1 July, 2022, this assistance will continue as long as necessary to support families to transition should the current resolution remain in place.

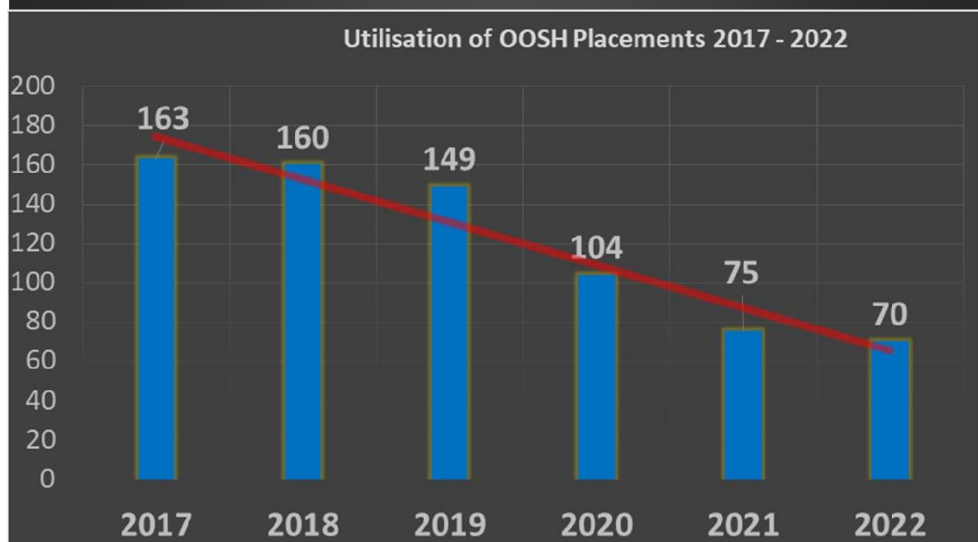
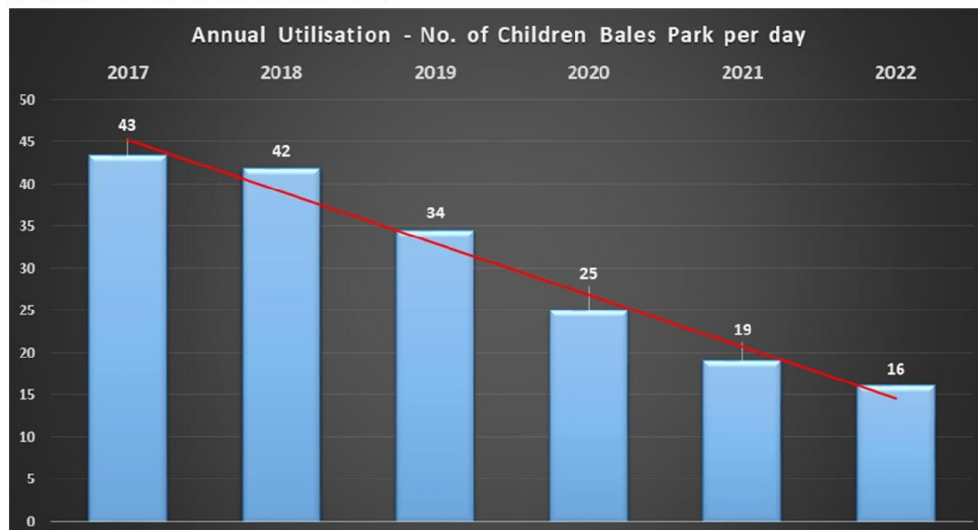
**SUMMARY**

The recommendation to cease the Bales Park was part of business improvement measures designed to improve the financial performance of Council's OOSH services, balanced against a range of non-financial criteria including Council's role in these services, changes to the operating environment, availability of alternative providers, impacts upon users and risk.

The impact of the rescission motion may further compound the financial position of Council, limit the effectiveness of proposed improvements to other OOSH locations and negatively affect other Out of School Hours Care providers servicing Willoughby Public School.

## ATTACHMENT 1

## Utilisation of OOSH Services 2017-2022



## ARTARMON

Monthly average	2017	2018	2019	2020	2021	2022
Feb	73	70	73	73	43	31
Mar	73	74	72	66	41	32
April	63	78	75	62	41	31
May	72	78	76	51	42	31
June	71	78	75	54	42	
July	72	64	75	49	36	
Aug	71	68	75	44	35	
Sep	73	72	75	41	29	
Oct	68	73	76	38	28	
Nov	70	71	74	33	27	
Dec	69	71	73	32	27	
	775	797	819	543	391	125
Annual average	70	72	74	49	36	31

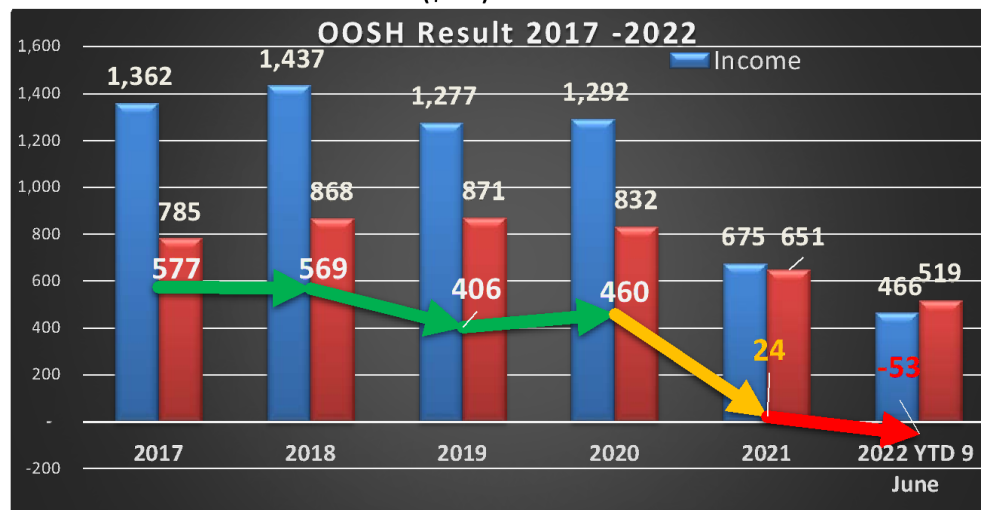
<b>CHATSWOOD</b>						
Monthly average	2017	2018	2019	2020	2021	2022
Feb	54	51	43	42	22	22
Mar	55	48	43	40	21	22
April	46	47	41	39	20	20
May	51	46	41	35	22	22
June	52	46	41	36	22	
July	50	42	41	30	21	
Aug	49	45	40	25	20	
Sep	49	45	40	22	17	
Oct	49	43	41	20	18	
Nov	50	44	37	20	20	
Dec	50	44	44	20	20	
	555	501	452	329	223	86
Annual average	50	46	41	30	20	22

<b>BALES PARK</b>						
Monthly average	2017	2018	2019	2020	2021	2022
Feb	42	45	35	26	21	16
Mar	43	45	33	29	20	17
April	37	45	32	26	20	15
May	43	43	33	26	18	18
June	44	43	33	28	20	
July	44	39	36	26	18	
Aug	45	41	37	27	20	
Sep	45	41	37	26	18	
Oct	45	40	34	21	18	
Nov	45	39	35	20	18	
Dec	44	40	34	20	17	
	477	461	379	275	208	66
Annual average	43	42	34	25	19	17

## ATTACHMENT 2

## Overall Performance of OOSH Services 2017-2022

FIGURE 1 – Income Statement of OOSH (\$000)



## ATTACHMENT 3

## Overall Financial Performance Individual OOSH Service 2019-2022

FIGURE 1– Income Statement Bales Park OOSH (\$000)

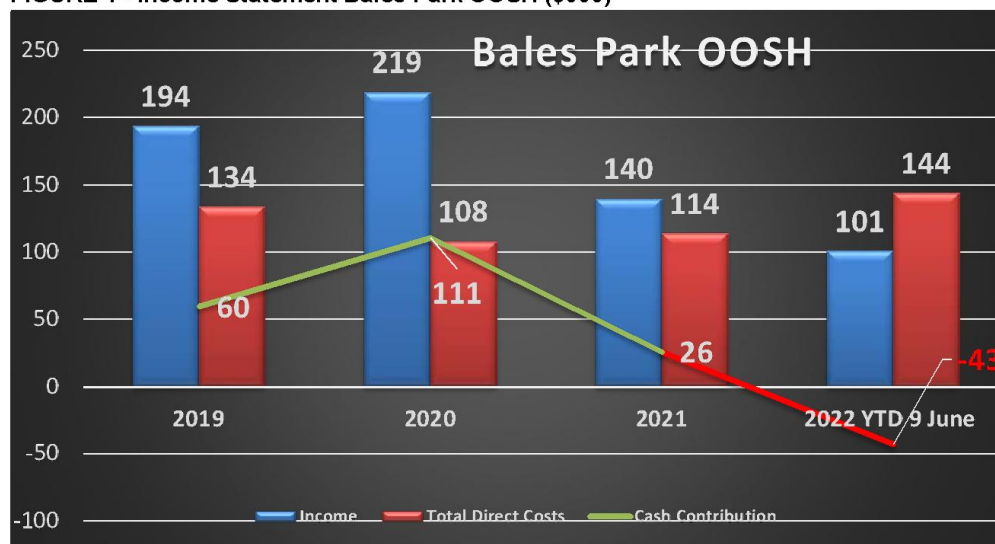


FIGURE 2 - Income Statement Chatswood OOSH (\$000)

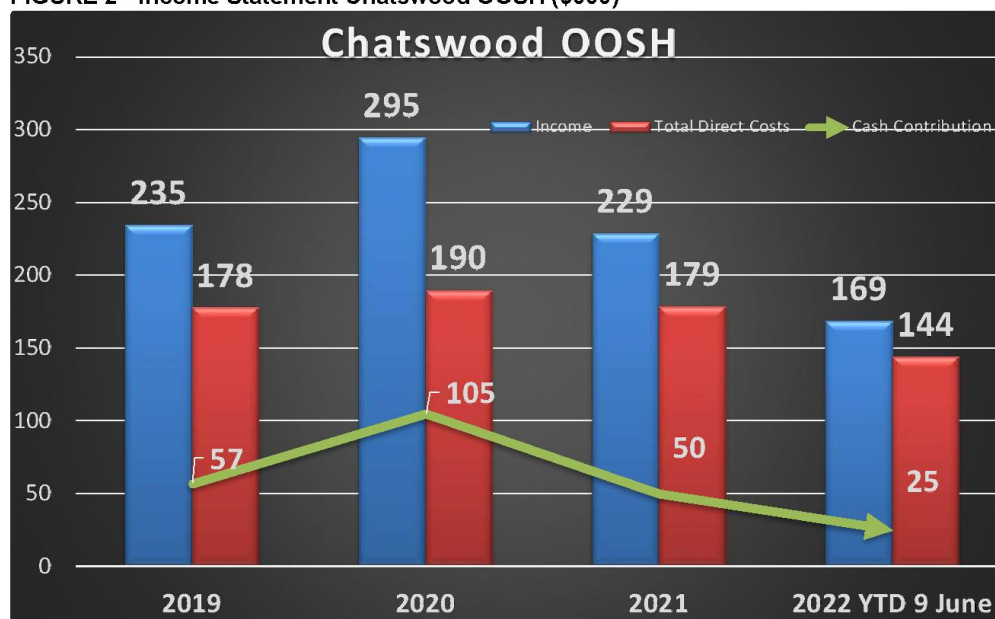
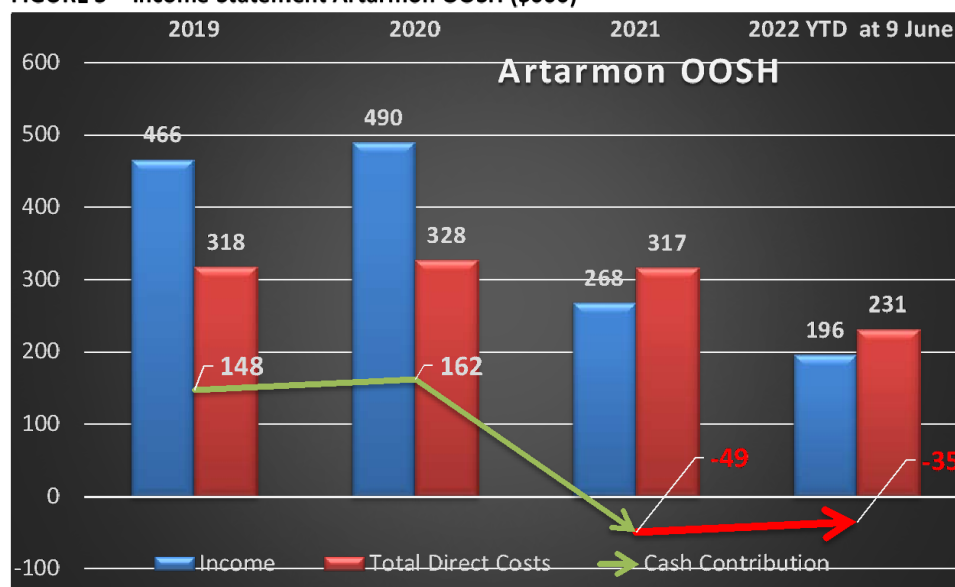


FIGURE 3 – Income Statement Artarmon OOSH (\$000)



**ATTACHMENT 4****Summary of Community Concerns**

<b>Summary of issues / feedback from parents</b>		
<b>Issue</b>	<b>Feedback</b>	<b>Response</b>
<b>Timing</b>	6 weeks' notice is too soon to source another provider	Other providers have indicated availability for Week 1, Term 3. Parents are required to register with these services to assist with staff resourcing.
<b>Quality</b>	Other services are not as well run as Bales Park	Services are all assessed under the National Quality Framework
<b>Size</b>	Many families and children like the smaller numbers at Bales Park	Bales Park is licensed for 45 children; the small numbers current families refer to are due to low utilisation
<b>Location</b>	Pick up location is convenient for families who live close to Bales Park	Approximately 30% of existing Bales Park families live closer the Bales Park than the location alternate OOSH providers.
<b>Usage</b>	Patronage may increase now parents are returning to the office.	Utilisation at Bales park was decreasing pre-COVID. The number of other providers and changed work patterns mean that usage is unlikely to return. Other providers number have fallen as well.
<b>Availability</b>	Difficulty securing places on desired days.	Helping Hands has availability on all days from Term 3. Parents need to register. Inspire has availability Mon – Thursday
<b>Factual Corrections</b>		
<b>Rating</b>	Claims Bales Park has an exceeding rating under the NQF	Bales Park has a meeting rating, not an exceeding rating. This is the same as alternate providers serving Willoughby PS
<b>Viability / Utilisation</b>	Service demand is affected by COVID and will return	Utilisation of the service was falling steadily prior to COVID and since 2018
<b>Catering for Special Needs</b>	Bales park OOSH is also home to many children who are neuro-diverse, receiving the care and attention they deserve.	Bales Park does not have any children registered with special needs All OOSH providers are able to access additional resourcing to support children with special needs
<b>Staff</b>	Families are concerned about the continued employment of staff	All staff are able to be redeployed within another Council service
<b>Environment</b>	Bales Park is a superior location and a change is disruptive for children	School campus is familiar place for children and provides access to recreation space. Inspire OOSH also has access to adjoin parks and oval
<b>Fees</b>	Other providers have higher fees	Bales Park: \$31.75 Kids House: \$28.50 Helping Hands: \$28 Inspire: \$44 – includes homework tutoring & sporting activity



---

<b>6</b>	<b>CONCLUSION OF THE MEETING</b>
----------	----------------------------------

---