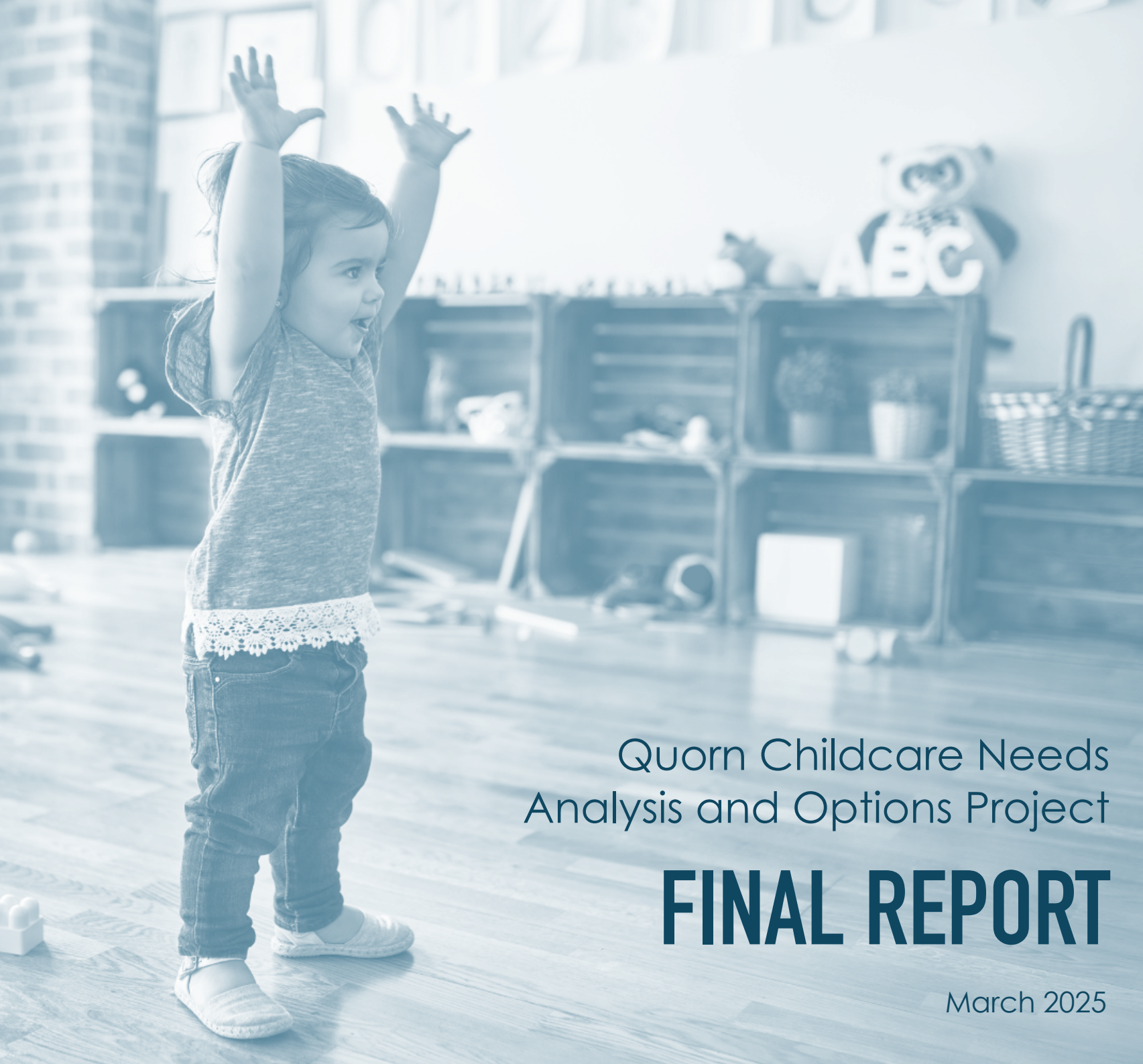




Quorn Childcare Needs Analysis and Options Project

FINAL REPORT

March 2025



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AREA SCHOOL



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1. EXECUTIVE SUMMARY

The Quorn Childcare Needs Analysis identifies a significant and growing gap in early childhood education and care in the township of Quorn. There are currently no formal childcare services in the community, forcing families to rely on informal care or travel to Port Augusta, where services are oversubscribed with waitlists exceeding 12 months.

A community survey conducted in 2024 highlighted:

- 90% of families cannot access suitable childcare
- 42% have delayed returning to work
- 73% report negative impacts on wellbeing

A minimum of 38 places is needed across the Flinders Ranges Council area, with at least 29 required in Quorn. Demand is expected to increase further with the introduction of the Federal Government's Three-Day Guarantee (from 2026) and South Australia's universal three-year-old preschool rollout (2026–2032).

To meet this need, a 40-place long day care facility is proposed, requiring:

- 130m² of indoor space and 280m² of outdoor play area
- Estimated construction and fit-out cost of \$1.36 million, which may be reduced depending on scope.
- 12.5–13.5 FTE staff, aligned with national ratios – depending on what level of use is maintained.

Four operational models have been explored and detailed within this document. The Council-led model is recommended as the most viable due to its governance capability, access to infrastructure funding, and ability to act quickly. Co-location with Quorn Area School or the Outdoor Education Centre is favoured to align with state government priorities and reduce capital duplication.

Next Steps

- Secure a preferred site and confirm ownership
- Engage modular builders to develop shovel-ready plans and detailed infrastructure costings
- Apply for state and federal infrastructure funding (e.g. Flying Start)
- Maintain close engagement with the Office for Early Childhood Development and explore partnerships with ELC operators

2. CURRENT STATE ASSESSMENT: QUORN

2.1 Overview

The following is an extract from research undertaken on behalf of RDA Far North, late in 2023.

“There are currently 95 children aged between 0 – 4 years living in the Council area, with no long daycare facilities in the area.

Residents in Quorn, which is a 30-minute drive from Port Augusta can access services in Port Augusta but using these facilities comes with the challenge of travel and distance. That is of course, if they can secure a place in Port Augusta, which is difficult given the current availability of childcare places, with some parents in Quorn reporting a 12 – 18 month wait to access childcare. For those working in Port Augusta, it is less of an issue but may involve particularly early mornings for infants and toddlers, which is not ideal.

Up until recently there had been 1 – 2 women offering informal family day care to families in Quorn but as of early 2024, neither of these were available. The feedback from families during the consultation indicated that the childcare situation in the town had become quite dire with approximately 20 – 30 kids in need. Parents working in essential services including health and education considering moving away due to the lack of available childcare.”

Based on the information gathered for this initiative, a year on since the above work was done, the situation in Quorn in relation to childcare is still dire.

Parents and other stakeholders indicated that lack of access to childcare continues to cause significant challenges for families with social and economic ramifications for the community.

2.2 Inventory of Existing Childcare Facilities

- **Current Availability:** As of 2024, there are no formal long day care or sessional preschool services operating within the township of Quorn. Local families currently rely on informal arrangements such as care by grandparents or commute daily to Port Augusta, which is approximately 40 km away.
- **Neighbouring Services:** Port Augusta and surrounding regional centres offer limited childcare services, with reports of long waitlists and insufficient places. According to the RDA Far North Childcare Summary (March 2024), the region has only 380 places for approximately 1600 children aged 0–4 years, representing one childcare place per 4.2 children—well below the national average.
- **Quality & Accessibility:** Due to long waitlists and geographic distance, existing facilities are not easily accessible to Quorn residents. Many families travel up to 80 km round trips for childcare.

2.3 Gaps + Unmet Needs

- 89.74% of respondents indicated they could not access suitable childcare.

- 77.5% indicated that they anticipate increased childcare needs with the next three years, driven by plans to have more children and a desire to return to work and/or increase working hours.
- Families are forced to drive significant distances to access childcare, which contributes to financial stress and fatigue.
- Childcare places in Port Augusta, which is the nearest larger commercial town are also difficult to access reporting long waiting lists, particularly for the 0 – 2 age group.
- Many locals rely heavily on family and friends and other informal arrangements to meet their childcare needs. These can sometimes be unreliable and do not include the recommended social and educational stimulation recommended for babies and toddlers.
- The following table provides an indication of the number of long daycare places needed within Flinders Ranges Council, based on current and future population, as prescribed in the Mitchell Institutes Deserts and Oases Report. There are currently no long daycare places available.

Population	Children 0 – 4	Places Needed
1646	95	38
+10%	105	42
+20%	114	46

2. 4 Economic/Social Impact

Lack of access to childcare impacts communities in a variety of ways and can have a domino effect which can affect school enrolments, the wellbeing of families, and create financial stress on individuals, families and local business.

- **Workforce Shortages**
 - Childcare centres across the Far North operate under capacity due to staffing shortages, with rolling job vacancies for educators.
 - Lack of access to childcare is creating workforce shortages in other industries, particularly essential services including teaching, emergency services and health care. In the Mitchell Institute’s research, a link has been made between access to childcare and female workforce participation. Regions with lower access to childcare also have lower levels of workforce participation by women with children aged under five years.
Quorn Area School has noted that recruiting teachers is increasingly difficult due to various factors, including limited access to childcare. For example, even the more lucrative education roles, at the school, which offer permanency and other perks including access to accommodation, attract limited applications.
 - 42% of survey respondents reported delaying return to work due to lack of services – this in turn can create workforce shortages across a range of industries.
- **Financial Challenges**
 - Parents cited the inability to cover basic expenses without returning of work.
 - The current cost of living crisis is increasing the necessity of dual incomes and the lack childcare options can create further strain.
- **Social + Wellbeing**
 - 73% indicated that a lack of access to childcare had a negative impact on mental health and family wellbeing.
 - Families without access to adequate childcare can limit the educational and social opportunities for children resulting in developmental issues.

3. STATE + NATIONAL LANDSCAPE

The situation in Quorn is not unique and childcare shortages have been an issue for communities across Australia for a number of years – particularly in regional and remote Australia. Research undertaken by Victoria University's Mitchell Institute stated that 35% of the population lived in what is being called a "childcare desert". This means there are more than 3 children aged four or under, per childcare place available.

In response both State and Federal Governments have conducted several inquiries and introduced or proposed several strategies to support improved delivery of childcare to support early childhood development and education and better productivity. The following provides an overview of State and Federal Government initiatives.

- **Three-Year-Old Preschool**

Based on recommendations in its Royal Commission into Early Childhood Education and Care, the South Australian Government is rolling out Pre-School for all 3-year-olds between 2026 and 2032. This is expected to alleviate some pressure on childcare demand with parents having some of their childcare needs met through 3-year-old pre-school and potentially requiring less long daycare.

Roll out of this is expected to commence in the Quorn area in 2026 but there are several challenges to address including the provision of suitable infrastructure to deliver 3-year-old pre-school and securing suitably qualified staff to deliver the services.

The Office for Early Childcare Development (OECD) has created a team to roll out this initiative. Quorn is situated in Region 7 for the implementation of these reforms. Suzanne Clarke is the OECD Area Coordinator for the Quorn region. She has met with Council's CEO, Sean Holden to discuss what the roll out looks like for the Flinders Region Council. At this stage there are several unknowns and they are continuing to gather data and work with existing facilities with a view to expanding these to accommodate 3-year-old kinder. It is recommended that the Quorn community continue to have an ongoing relationship with OECD as 3-year-old kinder rolls out, with a view to advocating for solutions that are mutually beneficial.

There are infrastructure grants (Flying Start) available through the State Government but these are focused on increasing infrastructure within existing facilities to support the accommodation of 3-year-old pre-school and dependent on demand modelling with the designated area.

- **Three-Day Guarantee**

From 1 January 2026 all Childcare Subsidy (CCS) eligible families will receive three days of subsidised childcare per week regardless of their work or study

commitments. This is expected to provide a significant saving for families who will be able to access more care at less of a direct cost to the families. Whilst this is a positive step forward, the Guarantee is expected to increase demand for long day care services across Australia, and concerns have been expressed about the sector's capacity to accommodate the increased demand.

- **Building Early Education Fund**

The Federal Government has promised an allocation of \$1billion to increase the supply of early childhood education and care places across Australia, especially in under-served areas. This funding is expected to support the establishment or expansion of approximately 160 childcare services with a preference for locations on school sites.

- **Workforce Development**

Attracting staff within the sector continues to be very challenging across Australia but particularly in regional and remote parts of the country. Both the State and Federal Governments are proposing strategies to support this – as detailed below. There are several other a couple of other initiatives currently in place including partnerships between training organisations, the Roxby Downs Early Learning Centre and BHP <https://thrivingfutures.org.au/about-us/our-project/> . An initiative based on the Yorke Peninsula which involved a partnership between Yorke Peninsula Council and Adelaide Family Learning and Care – this is referenced in the Case Study Below.

Government investment in this space includes:

- State Government have allocated almost \$100million dollars over four years to help develop the early childhood workforce, which will hopefully help address some of the existing staff shortages.
- The Federal Government has \$5 billion aimed at building and expanding childcare services and increasing educators' pay by 15%. This initiative seeks to attract and retain qualified professionals in the early childhood education sector, ensuring the delivery of quality services.

4. NEEDS PROJECTIONS

4.1 Demographic Trends & Community Growth

- **Population Growth Forecast**

Based on state government projections, the population growth for Quorn aligns with the regional average of .48% per annum. This would see population grow by approximately 80 residents over the next ten years. A number of potential resource and agricultural industry development initiatives proposed for the broader Port Augusta region, may see this projection increase over the next ten years.

4.2 Demand and Provision of Childcare Services in Quorn

- **Preferred Services**

Based on the information gathered, long daycare offered in a formal childcare centre, is the most desirable childcare service. However, residents in Quorn are desperate and are eager to see any new childcare services develop with an interest in both family daycare and afterschool care. Survey respondents also indicated a desire to see flexible offerings that support shift workers.

- **Childcare Places**

As indicated in the table in Section 2.3 of this document, based on the number of children aged between 0 – 5 in the Flinders Ranges 38 places are needed based on the current population – 29 of these in Quorn.

- **Size of Facility**

Based on SA legislation, a 40-place facility requires a minimum of 130m² of unencumbered indoor space, which does not include areas such as kitchens, storage areas, staff rooms and office space. It would require a minimum of 280m² of unencumbered outdoor space which could include verandah areas as well as open play space. The following provides an overview of the estimated areas for childcare facility that can accommodate up to 40 children.

INDOOR		OUTDOOR	
Unencumbered indoor space	130m ²	Unencumbered outdoor space	280m ²
Storage, kitchen, staff room, reception/circulation + admin space (indoor)	60m ²	Storage / Shedding (outdoor)	20m ²
Cot room, children's bathrooms	30m ²	Carparking – 10 Spaces	240m ²
TOTAL	220m ²	TOTAL	540m ²

The site for the facility including carparking would need be approximately 760m²

- Staffing Requirements – Size**

The number of staff required for a 40-place Childcare Centre depends on the number of children cared for within the centre in each age group. The ratio for children aged 0 – 24 months is 1 educator per 4 children, for children aged 24 – 36 months the ratio is 1 educator per 5 children and for children aged 3 months to pre-school age is 1 educator for every 11 children. The following provides a sense of the minimum requirements of staff within each room to maintain the necessary ratios with the suggested number of places per room.

Legislated Staffing Ratios		
Age of Children	Number of Spaces	Number of Educators Required
0 – 24 months	10	3
24 – 36 months	15	3
36 months+	15	2

It is important however to consider that not all staff would be full time and that there would need to be additional staff to cover leave and development obligations. There may also need to be additional staff to support administration, cleaning, maintenance and catering (if that is a preference). It is estimated that a facility would require an estimated 12.5 – 13.5 Full Time E The following provides an overview of a realistic staffing model for a 40-place childcare facility.

Estimated Staffing Model for 40-place Facility		
Role	FTE	Notes
Room Educators (0–24 months)	3.0	Meets 1:4 ratio
Room Educators (24–36 months)	3.0	Meets 1:5 ratio
Room Educators (36+ months)	2.0	Meets 1:11 ratio
Early Childhood Teacher (ECT)	1.0	Required by regulation
Centre Director/Coordinator	1.0	Can double as admin or ECT

Relief/Educator Float	1.0	Covers breaks, sick leave, ratios
Cook/Food Preparation	0.6–1.0	Depends on service model (part-time may suffice)
Cleaner/Maintenance	0.5–1.0	Contracted or part-time internal role
Admin Support (optional)	0.4	Assists with enrolments, compliance, etc.

- **Staffing Requirements – Qualifications**

There are mandatory requirements for the staff in terms of training and qualifications. This includes:

- At least 50% of educators must have (or be actively working towards) a diploma-level education and care qualification. The remaining educators must have (or be actively working towards) a certificate III-level qualification.
- For centres with 25 – 50 children an Early Childhood Teacher (ECT) must be employed at the Centre and be present at least 6 hours per day if the service operates 50 hours per week or 60% of the operating hours if it operates for 50 hours per week.

4.3 Demand for 3-Year-Old Pre-School in Quorn

Estimating demand for 3-year-old pre-school is difficult but here are some further pieces of information relating to demand.

- Based on census data, there are 95 children aged 0 – 4 children living in the Flinders Ranges Council area. 70% of these live in Quorn, which translates to 67 children. Whilst numbers fluctuate from year to year, this means that approximately 15 – 17 children would be in the 3-year-old age group. If 3-year-old pre-school is free and mandatory it means all of these children would attend. Some children may attend pre-school in Port Augusta but there may also be some from outside of Quorn that bring children to attend pre-school locally.
- The Office of Early Childhood Development (OECD) have undertaken some data to estimate the demand for 3-year-old pre-school in the area. Quorn is part of the Port Augusta region, which is lumped in with York and Eyre Peninsula and is part of Region 7. It has the region listed as Level 2 in terms of demand – which is low and Quorn itself as Level 1 which suggests there is no demand. This information can be seen via this website <https://www.earlychildhood.sa.gov.au/providers/investing-in-infrastructure/market-information-summary>

Further questions about how this information has been determined and what that means has been requested from government but it has not yet been forthcoming.

The Quorn Kindergarten does currently offer services for children aged 2 – 4 years including pre-entry kindergarten, which would cater to some of the 3-year-old age group. Some assumptions may be being made by the Department that the Quorn Kindergarten is in a position to manage and increase in 3-year-old pre-school demand.

- Information from the Department indicates that they are continuing to gather data that supports the roll-out of 3-year-old pre-school and this may be made available in the future.
- It appears the priority for the OECD and the Department of Education are focusing on working closely with existing services including long-day care and pre-schools to support the roll out of new and expanding services. This is reflected in the grants that are available and the call for “Expressions of Interest” from existing long day care services to partner with the Department to deliver 3-year-old pre-school in 2026.
<https://www.earlychildhood.sa.gov.au/for-providers/investing-in-infrastructure/flying-start-infrastructure-grants>
<https://www.earlychildhood.sa.gov.au/for-providers/deliver-3-year-old-preschool>

4.3.1 Impact on Childcare Services in Quorn

The impact of the development of 3-year-old pre-school on the demand for long daycare (LDC) is also an unknown at this stage. Here is further information in the context of this changing environment.

- **Possible Decrease in Demand for LDC**
 - Cost incentives for families: Free / low-cost preschool is an attractive option for families who might otherwise pay for LDC, especially if they only need part-time care or are on tight budgets.
 - Perceived educational benefits: Parents may view preschool programs as more structured and school-like, preferring them over the broader play-based model of LDC.

- **LDCs May Retain or Even Grow Demand**

- Working parents need extended hours: Preschools typically operate shorter days (e.g., 9am–3pm, school terms only), while LDCs offer full-day, year-round care, which is critical for full-time working families. Survey results from both this consultation and the previous one with RDA Far North indicate that there is still considerable demand for LDC. These include:
 - 76% of respondents indicated that they do not currently have access to the required level of childcare in 2023, this has increased to 90% in 2024.
 - 95% indicated that their childcare needs would increase in the next 3 years
 - 60% indicated that their preference was for long daycare and 57% indicated that they would like access to any childcare services.
- Wraparound care is available: Some LDCs may continue to thrive by offering both care and educational programming (including preschool-level curriculum) alongside longer hours.
- LDCs partner with preschool programs: Where LDCs offer integrated or co-located preschool programs (or government funding flows to LDC-based preschool programs), the impact may be minimal. If a LDC service is developed in Quorn, they have much greater scope to take advantage of partnerships with government that will support 3-year-old pre-school roll out.

In Victoria, which started rolling out 3-year-old pre-school a couple of years ago, there is some evidence that the demand for sessional-only facilities have declined and that parents are preferencing pre-school delivered within LDCs. Extended hours available at LDCs and the integration of childcare with pre-school in the one place are continuing to increase in demand.

Long wait lists and demand for long day care are still evident in Victoria despite the introduction of 3-year-old pre-school.

5. DEVELOPING A QUORN CHILDCARE CENTRE

The development of a long daycare centre in Quorn is a critical part of the town's ongoing development and sustainability but there are a range of complexities to consider for a suitable facility to be developed.

The following provides an overview of key considerations and the options Flinders Ranges Council, Quorn Area School and the broader community in relation to the establishment of a childcare facility in Quorn. This includes infrastructure, staffing, management/ownership structures and associated set up and ongoing operational costs.

5.1 Childcare Location / Building - Analysis

The location and physical nature of a childcare facility in Quorn needs to be determined in the first instance. A facility could be established using and adapting existing buildings located in Quorn or a new facility could be developed on a suitable plot of land. Council has indicated that it has access to several locations, both with existing structures and without and the Quorn Area School has indicated that it could offer a piece of land for the development of a long daycare Centre within the school precinct. Both of these options have benefits and challenges with the following providing a summary.

Building	Benefits	Challenges	Suitability
Empty Shopfront – Cnr of Seventh and First Streets	- o Council owned - o Central location - o Spacious	- o Heritage nature making renovation potentially more costly. - o Constrained site with limited options for outdoor area. Unlikely to meet required outdoor space requirements. - o No capacity for onsite parking.	Very low
Quorn Memorial Hall at Quorn Oval	- o Council owned - o Spacious surrounds - o Well-known location	- o Very old heritage building that would require major works to make suitable. - o Not internally lined	Very low
Sporting Clubrooms at Quorn Oval	- o Council Owned - o Potential use for occasional care in the short term. - o Suitable surrounds for expansion if desired.	- o Well-used by community currently and would be difficult to re-purpose in the context of this use. - o Would need considerable work to upgrade for childcare use.	Limited – may be a short-term solution for occasional childcare.

Building	Benefits	Challenges	Suitability
Quorn Oval (Land only)	- o Room on the ground for the development. - o Well-known community location. - o Capacity for development of new facility that incorporates co-location with community hub	- o Negotiation around other uses of the surrounds. - o Substantial financial investment required for new build.	Medium
Outdoor Education Centre	- o Currently vacant - o Near the current pre-school on Second Street with potential for co-location with the current pre-school, which may also provide some benefit in terms of staffing with existing ECT on site. - o Reasonably sized block and existing building could be removed and land re-purposed. - o Central location	- o Existing building is run down and may not be suitable for a cost-effective renovation. - o Owned by state government and negotiation / purchase required for re-development.	Medium – High
Land Adjacent to Quorn Pool	- o Council owned - o Spacious surrounds - o Adjacent to existing community facilities - o Adequate parking	o Significant excavation required and clearing of natural scrub to ensure suitability.	Medium
Quorn Area School	- o School has interest in developing. - o Cost effective in terms of land-acquisition. - o Spacious surrounds - o Convenient location for families in terms of pick up and drop off - o Familiar site for families and children and would make an easy transition for children progressing from childcare to school - o Co-location with school may provide some benefits in terms of staffing and having an ECT on site - o School locations identified as favourable area for childcare facility development by State Government	- o State government owned and some bureaucratic negotiation would be required - o May not attract or be suitable for a private childcare provider	Medium – High

5.2 Childcare Facility Development – New Build

Childcare facilities are unique in a number of ways with expectations not only about the vibrancy of the facilities but also the functionality and minimum space requirements make them challenging to develop. If the Quorn community elect to build a new childcare facility, rather than adapt an existing building, the following provides an overview of the necessary investment required – not including the cost of the land or carparking.

Item	Est. Cost	Notes
Building Construction	990000	Calculated at \$4500 per m2 and includes minor site works, construction, internal fit out, kitchen and admin areas, Child-specific features, plumbing and electrical and verandah.
Outdoor Play Area	120000	Calculated at \$400 per m2 and includes landscaping, play equipment, shade sales and basic shedding.
Professional Fees	40000	Includes architectural/design costs, building approval and certification, site reports etc.
Furniture + Equipment	80000	Furniture, toys, educational equipment, desks and other equipment.
Security, IT, Fit-Out Extras	10000	CCTV, IT Set up, intercom, coded entry etc.
Contingency	124000	10% of Total Cost
TOTAL	1364000	

CASE STUDY: KAROONDA CHILDCARE CENTRE DEVELOPMENT

Opened in 2019, the Karoonda Childcare Centre project was in direct response to the towns difficulty in meeting the childcare needs of the community. The District Council of Karoonda partnered with Ausco to build a multi-purpose modular facility to be used for both childcare and as a general community facility. The facility cost approximately \$550k and took six months to complete, which is a very quick turnaround time for a project of this nature. Its modular nature also reduced the risk for the Council in terms of infrastructure investment with the potential to repurpose the facility either in-situ or elsewhere or on-sell out to a third party if, for whatever reason the childcare facility became unviable. In the first two years of operation the facility proved so popular that they increased capacity by 50% due to growing demand.



Fortunately, since that time, the facility has gone from strength to strength and is primarily used as a childcare facility full time. The Centre, like many in regional Australia still experiences challenges in attracting suitably qualified stuff but the project from an infrastructure perspective has been very successful. The facility was originally designed to cater to 22 children.

The following images provide an overview of the facility from a visual perspective and the analysis below provides some insight for the Quorn Community if decides to follow a similar path.



Karoonda / Quorn Comparisons

Nature / Element	Karoonda ELC (As Built)	Proposed Quorn Centre
Size (Internal Floor Area)	~220 m ² (modular building footprint across 4 modules) including community Haub	220 m ² (targeted footprint to meet 40-place need)
Construction Type	Modular prefabricated steel-framed units (Ausco Modular system)	Flexible: modular, hybrid or full brick depending on funding
Layout	Split: Childcare wing + Community wing + foyer & staff amenities	Childcare-only focus; single integrated building with support spaces
Child Capacity	Estimated ~30 children across age groups	40 children: 10 (0–2), 15 (2–3), 15 (3–5)
Outdoor Learning Area	Dedicated area to north-west of site with ~130–150m ² space	Estimated 280 m ² required (7 m ² per child); not yet designed
Kitchen Facilities	Full kitchen with stainless steel benches, dishwasher, prep areas	Included in Quorn costing – dedicated food prep and clean-up space
Wet Areas / Toilets	Junior W/C, Unisex W/C, Accessible Toilet, Staff W/C	3 toilets minimum for 40 children + 1 accessible + 1 staff WC
Special Facilities	Withdrawal room, office, foyer, shared community wing	ECT/Director office, foyer, staffroom, cot room and store
Ceiling & Roofing	Acoustic perforated ceiling, R3.0 insulation, Colourbond roofing	Proposed similar: R3.0 + acoustic panel system with bulkhead options
Wall Construction	75mm steel frame, 10mm plasterboard, R2.0 batts	Similar prefabricated/mixed construction likely
Internal Fit-Out	Vinyl floors, coved skirting, fire extinguishers, magnetic stops	Quorn design includes vinyl, safety skirting, security and ICT
Air Conditioning	4x Split system air conditioning (2x 2.5kW, 2x 7.1kW)	Similar required, based on area zones and SA climate
Furniture & Fixtures	Built-in change tables, vanities, kitchen cupboards, data points	Proposed Quorn model to include these in FF&E budget (\$80–100k)
Parking	Adjacent off-street parking for staff/parents (~10–12 bays estimated)	Quorn plan includes 10–12 bays (~220–250 m ² required space)
Site Engineering	On-site wastewater system (connected to STEDS), stormwater defined	Similar requirement: septic/tank-based unless sewer is available
Build Timeline	Constructed 2019 by Ausco (factory-built & delivered to site)	Quorn project timeline: 12–18 months depending on funding approval
Cost Estimate (adjusted to 2025)	~\$800,000–\$950,000 (2019 base + escalation)	~\$1.2M–\$1.3M (inclusive of FF&E, landscaping, contingency)

What Can Quorn Learn from Karoonda's Model

Strengths to Replicate:

- Efficient modular design with clear zoning
- Modular construction can reduce time/cost by 15 – 20%
- Inclusion of a community-use wing (consider this in Quorn's hub model)
- Practical and cost-effective materials (vinyl, Colourbond, modular cabinetry)
- Good allocation of wet areas and child-accessible toilets
- Covered all compliance essentials (accessibility, STEDS, fire safety)

Areas to Enhance in Quorn:

- Karoonda may not have had capacity for 40 children – scale Quorn up accordingly
- Outdoor play area in Karoonda appears compact – Quorn must meet 280 m²
- Fit-out and internal flexibility (Quorn could include OSHC or maternal health space)
- Greater office/admin/therapeutic inclusion for complex family needs
- Digital readiness (Quorn should include ICT cabling, CCTV, and smart access)

5.3 Operational Management Model – Analysis

There are a number of operational management models to consider with the following analysis undertaken within the context of the size and capacity of the Quorn Community and relevant stakeholders.

Model Options

- **Privately Operated Childcare**

An individual or company opens a childcare facility in Kingston as an ongoing commercial for-profit business. This includes large or medium-sized companies that have multiple sites in SA and in some cases interstate or a small business owner.

Certain conditions need to be in place for a commercial centre to be established including a private company or individual that is willing to invest in the development of a childcare facility and the associated set-up costs. The facility would need to be profitable from a financial perspective, providing a reasonable return on investment for the owners. The potential for this to happen is dependent on several conditions but primarily population, birth rates, housing development and competition within a particular region are key considerations for private operators. Large operators have a very well-tuned formula they utilise when scoping potential new facilities and if they are appropriately equipped, small operators develop detailed business cases before proceeding.

- **Community Owned / Managed Childcare**

A not-for-profit community-based association operate a childcare facility within Quorn. The association has a volunteer committee which provides oversight of the facility and employs a Centre Director and delegate the day-to-day management of the facility to them. The Incorporated Association is a legal entity and would need to register as an approved childcare provider. In other examples of this model throughout the state the members are generally the users of the facility, which ensures a vested interest in its ongoing operation and viability.

- **Council Owned / Managed Childcare**

Flinders Ranges Council establish a childcare facility and manage it as a service of Council. It could choose to set up a company to run a childcare centre, which sees the service delivered at arms-length from Council, but it may prove complicated and place unwanted strain on Council's governance resources and the community's volunteering capacity. An example of this structure was difficult to find in the context of a childcare facility, but Councils have set up Companies to run other services/venues externally including cultural facilities.

Council run facilities are not uncommon across Australia with other Councils indicating that necessity and the recognition of how vital the service is for the community were the key drivers for establishment.

- **Integrated Facilities**

A childcare centre is established that includes a long day care run by the local provider and the kindergarten is run / funded by the Department for Education. The provider within integrated facilities in regional SA are community-based incorporated associations but it could also be a local government entity. The staff and resourcing for the delivery of a kindergarten program, which is 15 hours per week is provided by the Department. This means the staff for the kindergarten program are directly employed by the state government and other staff, that work in the long-day care centre are employed by the local entity.

From an operational / user perspective the facility appears to run as one organisation, and staff can operate across both services – long day care and kindergarten. More than one staff member may be engaged by the Department, depending on the number of children in the kindergarten program.

This arrangement relies on the Department for Education agreeing to operate the kindergarten within the long-day centre in collaboration with the local provider. It also requires a local provider willing to enter into an arrangement of this sort, which can create more work / management / oversight from the local providers perspective. The local provider is generally an incorporated association or a Council.

In most instances, where the integrated model is in place, the Centre Director is employed by the Department to run the kindergarten – with the highest qualifications in place. The Director has oversight for the whole facility and therefore on a day-to-day level, they report to the local provider.

Operating Model Analysis

Model	Strengths / Benefits	Challenges	Feasibility
Privately Operated Childcare	- o Risk managed within a commercial context. - o Private operators have experience and bring knowledge to the development and management of a childcare facilities. All legislative and staffing responsibilities would be managed by the business. - o Childcare is managed independently of Council. - o There is little or no expectation for community governance or volunteering to help sustain the facility.	- o Based on information from larger private operators, the demand for childcare and the current and projected population numbers in Quorn do not reflect the benchmarks for investment in a facility in Quorn. - o The financial risk for a private operator would be considerable, which reduces the likelihood of a commercial entity – either large or small opening a viable childcare facility in Quorn. - o Philosophically, some disagree with privately run childcare facilities. The notion of generating profit that is directed towards large companies, rather than being re-invested in the care of the children can sometimes be a challenge.	Low due to small population base and financial risk. High start-up and operational costs may not be offset by revenue without subsidies. Option: Council may elect to build a facility and provide a long term and affordable lease to a private provider as incentive to open a facility in Quorn.

Model	Strengths / Benefits	Challenges	Feasibility
		Decisions around the care of children that are closely related to either making or saving money can be problematic.	See CASE STUDY below which outlines a partnership project on the Yorke Peninsula.
Community Owned / Operated Facility	- Community managed, which creates a sense of ownership within the community translating in a willingness to use and support the service. - Any surplus funds made by the facility are re-invested into the facility and its programs. - Eligibility to access government / philanthropic funding that is only available to not-for-profit community organisations. - Meets the necessary gap within Quorn without waiting for a private or commercial party to deem it a worthwhile investment. - Provides a service at arms-length of Council and does not place the burden of childcare on all ratepayers.	- Drawing on a small population of people to be part of a committee to manage a childcare facility is challenging. There are indications that it is difficult to recruit committee of management members in a community the size of Quorn, which already has a small number of people undertaking a number of volunteer roles in the community. - Whilst they are not-for-profit, community-run facilities still need to be financially viable and cannot run at a loss – risking insolvency. The costs of operation remain the same regardless, it just means there is not a requirement to make a profit. - Community-based childcare facilities have a limited or no safety net when it comes to financial security. If the centre operates at a loss, it can place significant stress on the users and the general community. Whilst policies and thorough planning should avoid this, centres in small communities are at risk when it comes to enrolment fluctuations. Margins are lower with smaller numbers, which can be severely impacted by significant events such as pandemics, drought or major industry down turns. - Managing assets for community organisations can be challenging – ongoing maintenance and setting aside adequate funds for depreciation can create financial issues. Council, which has a vested interest in the facility continuing to be viable, could maintain ownership of the building and commit to keeping the facility well-maintained. - Legislation and the national standards are very complex and whilst a community organisation would appoint a suitably	There are community run facilities in many other small towns throughout South Australia. Many of which have proved to be viable childcare services meeting community need. A facility of this nature could work in Quorn but it would require significant commitment from community. During the consultation, there were several members of the community that indicated they would be willing to support the development of a service of this sort. Support from Council to establish the facility from both an infrastructure and administration perspective would be necessary to reduce risk. Financial projections indicate the facility would be viable but there is still risk and the Association would need to address this and identify ways to mitigate the financial risk.

Model	Strengths / Benefits	Challenges	Feasibility
		qualified and experienced Centre Director, it is difficult to manage with limited resources.	
Council Run Facility	• Council has the capacity to wear reasonable operational losses for a childcare facility without compromising the quality or continuity of the service. Justification for these losses can be found in the value to the community in general from a broader economic and social level. • Expertise within Council can help the facility to be more financially viable. Councils have expertise in asset management, strategic and financial planning, WHS, marketing, HR and adherence to complicated legislative compliance. Providing access to this expertise to deliver childcare services can provide efficiencies within the service and ensure quality. • Eligible to access funding that is made available from time to time for Councils. • Meets the necessary gap within Quorn without waiting a private or commercial party to deem it a worthwhile investment or for the development of a community association to establish itself.	• Regardless of the operational model, the facility still needs to be financially sustainable / viable. Significant or repeated losses incurred through the delivery of the service may place an unwelcome financial burden on Council and its rate payers. • Funding to support the development of infrastructure will need to be sought to ensure immediate viability. • Council enterprise bargaining agreements (EBA) which are negotiated without the inclusion of childcare roles may necessitate the payment of above childcare award wages, which lessens the financial viability of the Centre. It does make it an attractive employment opportunity however, which may combat workforce shortages. Karoonda Council engages an employment agency to employ staff on their behalf to avoid paying unnecessarily high wages. ○ Unlike a community-run facility where surpluses can be directly channelled back into the facility, this would not be the case for a Council run facility, the funds would be accumulated within Council's budget. As Council is a not-for-profit organisation, this should not be a major concern.	The support of Council to establish and run a facility is feasible within Quorn. This of course relies heavily on the appetite of Council leadership both Elected Members and Senior Management. Council's backing is likely to make the facility more viable with support from existing expertise and knowledge. It is also in a much better position to manage fluctuations in enrolments that impact the bottom line.
Integrated Facility	○ The Director, with the highest qualifications is the most expensive staff member from an expenditure perspective. Within an integrated model, the Department employs and pays the salary of this person. This creates a more financially efficient environment with the local provider not required to employ someone at that level unless ratios demand it. ○ Having long daycare and kindergarten in the one place makes it much easier for families who have	○ Issues relating to varying employee wages / conditions with some staff employed by the local provider and others by the Department. This can cause friction between staff members who seemingly undertake the same tasks but enjoy different benefits. ○ The integrated model essentially involves two authorities overseeing the delivery of services. Whilst the Department is generally hands off from a day-to-day perspective, they are responsible for the kindergarten program – there are sometimes differences in policies / systems.	The development of this model would be the most complex and relies on the willingness of State Government authorities' willingness to move forward on a model of this sort. Given the complexities relating to the roll out of 3-year-old pre-school, it is unlikely that this will be a priority for the State Government.

Model	Strengths / Benefits	Challenges	Feasibility
	children at different ages or in kindergarten but also requiring long day care. ○ The transition between kindergarten and long day care is easier on the kids who are already familiar with the site, the staff and the routines within a facility. ○ It adds flexibility to the centre with extra space that is useable for other things when kindergarten programs are not being delivered – when the 3 – 4-year-old age group is particularly large or there are bigger / more advanced kids, they can access kindergarten resources.	○ Under this model there is sometimes duplication of administrative tasks, budget/accounts for kindergarten and long day care are kept separately, there are two provider numbers and two lots of reporting. Some tasks such as continuous improvement strategies can be over the whole centre.	The development of this model would require some advocacy from the Quorn community to get it off the ground.

CASE STUDY: YORKE PENINSULA CHILDCARE DEVELOPMENT

The Yorke Peninsula Council recognised that to address childcare shortages that it needed to intervene. It secured funding through Bushfire Recovery programs to support the development of childcare infrastructure, which saw an investment of over \$2million in the development of a new facility and the renovation of an existing facility. This initiative has seen the development of 120 new childcare places for the region.

With suitable infrastructure in place, the challenge of staffing and managing these facilities in an ongoing way remained. Yorke Peninsula partnered with ELC Training and Adelaide Family Learning and Care Services (AFLCS), which are both led by Michael French. This arrangement has seen the implementation of a workforce development model that sees the upskilling of locals within the childcare facilities, supporting trainers on site and mentoring, which makes the training more accessible and “practice based”. ELC Training offered free training and paid higher rates of pay as an incentive to attract and retain staff.

Council also put an agreement in place with AFLCS who managed Early Learning Centres in Gawler and Stirling, to manage the two new childcare services on the Yorke Peninsula. This agreement involved reduced leasing costs to access the two new childcare facilities, which Council own, and limiting other risks like exit fees etc. incentivising the arrangement and ensuring it can be viable.

The outcomes achieved from this project include:

- 121 Childcare places created for the community.
- 200 Families have accessed the services.
- From 6 initial qualified job applicants received, 68 local staff have been employed and 48 are undertaking training.

Michael French was interviewed as part of the research to develop this report and further information about the Yorke Peninsula project is provided with this report. Conversations with Yorke Peninsula Staff indicate they are very happy with the outcomes of the project and the work undertaken by Michael French, who is eager to replicate this model in other parts of regional South Australia. Michael also presented this project to the Council representatives at the Northern & Yorke Local Government Association meeting.

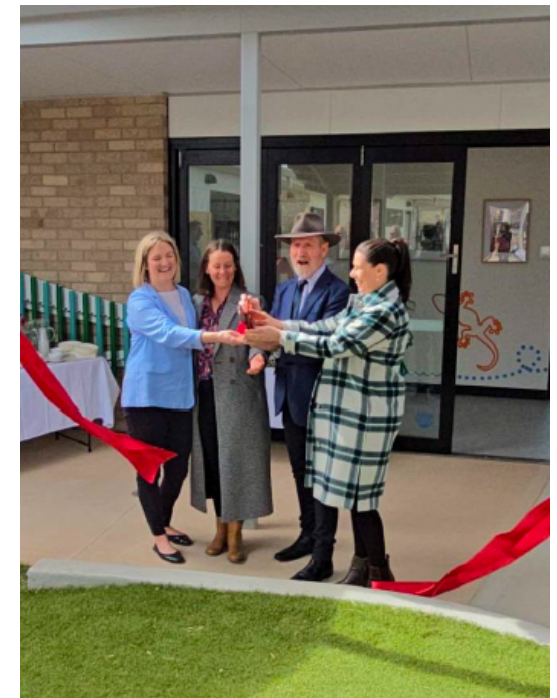
Further information can be found via these links:

<https://www.ypct.com.au/free-to-read/major-milestone-minlaton-family-centre-comes-to-life>

<https://elctraining.com.au>

<https://yorkepeninsulalearningandcare.au/about/>

Michael can be reached on 0419 746 709 or mfrench@aflcs.sa.edu.au



5.4 Financial Modelling – Operations

100% of a 30 Place Centre				100% Capacity of 40 Place Centre			
Expenses		Income		Expenses		Income	
Staff Salaries & On-Costs	660000	Child Care Subsidy (CCS)	716040	Staff Salaries & On-Costs	950000	Child Care Subsidy (CCS)	954720
Food & Catering	30000	Parent Gap Fees	219960	Food & Catering	40000	Parent Gap Fees	293280
Utilities	15000	Fundraising/Donations	5000	Utilities	20000	Fundraising / Donations	5000
Cleaning & Maintenance	22500			Cleaning & Maintenance	30000		
Admin, Software, Insurance	25000			Admin, Software, Insurance	25000		
Educational Materials & Toys	11250			Educational Materials & Toys	15000		
Contingency / Miscellaneous	30000			Contingency / Miscellaneous	30000		
Total	793750		941000	Total	1110000		1253000
Net Surplus / Deficit	147250			Net Surplus / Deficit	143000		

There are several factors to consider in the context of the above financial modelling. These include:

- The above figures are both contingent on the facilities operating at 100% capacity, which may be difficult to achieve consistently week on week, year on year. Childcare needs in any community fluctuates. The right staffing structure may help to mitigate the risk if numbers fluctuate with casual roles built into the modelling.
- The operational model may impact on the bottom line. For example:
 - A council run facility may be able to integrate some administration and insurance costs within its existing service delivery.
 - An integrated facility may reduce staffing costs with the State Government employing an ECT that can play a Director / Supervisory role for the whole facility.
- Other potential cost savings include:
 - Outsourced food services may reduce costs.
 - Contract cleaning rather than a daily internal role.
 - Installation of solar panels
 - Negotiating of group of insurance via peak bodies, LGA etc.

6. RECOMMENDATIONS / FIRST STEPS

This report provides a measure of information and data that clearly indicates the need for the development of childcare services in Quorn. The following next steps are recommended for the Quorn Area School in collaboration with Flinders Ranges Council and members of the community.

6.1 Securing a Site

Identify the preferred sites for the development of a childcare facility. The two most feasible at this stage include on the grounds of the Quorn Area School and the site of the Outdoor Education Centre.

The Quorn Area School may be easier to secure, more quickly with plenty of space to access and the willingness of the school to facilitate. Discussions with the Department for Education should commence sooner rather than later to facilitate a formal agreement that stipulates the use of land for the development of a childcare centre. This will be essential in applying for funds to support infrastructure.

The Outdoor Education Centre site, may take a little longer to secure depending on the links with the Kindergarten and any use-agreements over the site. It would be worth investigating further and there may be advantages in building a facility beside the current pre-school.

6.2 Ownership

Identifying who will own the facility long term is essential. It is recommended that Council are the owner, perhaps in partnership with the Quorn Area School. This provides a sense of certainty around the ownership and care of a facility long-term and increases flexibility in terms of incentivising management options.

6.3 Building Costs + Preparation

Meet with Austral and discuss the supply and construction of a modular childcare facility. They will manage designs and can provide detailed costings, which will be essential in the context of applying for funding. Submission of planning permits and other necessary paperwork would be helpful also in terms of being “shovel-ready” for funding applications.

6.4 Funding

Start gathering the necessary information to be included in a funding application. There are no funding programs available to apply for at the moment but post federal election there is likely to be grants to support childcare infrastructure and projects that are “shovel-ready” and can convey demand will be better positioned to apply and be successful. The information in this document is a good foundation for this preparation but detailed information about the site, building design and costs and the management model will need to be included.

6.5 3-Year-Old Pre-School

Meet with the OECD Team and discuss the role out of 3-year-old Kindergarten in the region. Whilst this program is not designed to focus on addressing childcare shortages, they may have some suggestions in how the development of childcare facilities in Quorn can link with current and future Kindergarten Services. There are a large number of fact sheets and information available on the OECD website including some guidelines for infrastructure development.

<https://www.earlychildhood.sa.gov.au/for-providers/investing-in-infrastructure/infrastructure-supports-for-providers> Most of these are relevant to the Flying Start Grants, but the advice is relevant to any childcare infrastructure project.

6.6 Management Model

Meet with Michael French and discuss opportunities to work with him and ECT Training and AFLCS. Council will need to be a key stakeholder in this conversation along with the Quorn Area School with the ownership of the building and the potential to put incentives in place for the entity that manages the facility.

If working with AFLCS and ECT Training is not viable it is recommended that a hybrid management model be put in place with Council and a community-based incorporated association. This may involve a short-term partnership with Council providing initial support as the facility establishes itself or a more ongoing partnership with Council providing administrative support.