



Education  
and Training

# Kindergarten Infrastructure and Services Plan

Ararat Rural City

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# 1. INTRODUCTION

## 1.1. REFORM CONTEXT

In an Australian first, the Victorian Government has committed to implement Three-Year-Old Kindergarten for all children over a 10-year roll-out with a total investment of almost \$5 billion, including \$1.68 billion to support the infrastructure expansion required for the reform. This reform will add another year of universal funded kindergarten so that, by 2029, all children in Victoria will have access to two years of play-based learning through a funded kindergarten program.

## 1.2. PURPOSE OF KISPS

Three-Year-Old Kindergarten will require a large expansion of kindergarten across the State. The Government has invited all 79 Victorian Local Governments to discuss and agree upon a Kindergarten Infrastructure and Services Plan (KISP) for their Local Government Area (LGA).

Each KISP has been jointly developed with Local Government and published to estimate the growth in demand for kindergarten within the LGA. The KISPs will help all kindergarten providers meet demand and provide a clear picture of infrastructure need across the State.

While a KISP is not a funding document and does not define required infrastructure projects or commit any party to funding specific projects, it is expected that future investment requests through Building Blocks and funding decisions about Local Government and not-for-profit projects would align with the relevant KISP.

## 1.3. HOW TO USE THE KISP

Each KISP contains estimates of future kindergarten supply of, and demand for, Three and Four-Year-Old Kindergarten places against existing enrolment capacity. Not-for-profit and for-profit providers can use these estimates to inform their plans to expand kindergarten programs, establish new services or invest in new or extended facilities.

For example, KISPs provide demand estimates in terms of where, when and how much demand for kindergarten places will grow in an LGA. KISPs also estimate where and how many kindergarten places providers can accommodate in existing facilities before an area needs new infrastructure to meet demand. The estimates can be used to inform decisions about where and when expansions of kindergarten program capacity and the construction of new or extended facilities are needed to meet demand growth.

Where there is an agreed KISP for the LGA, the Local Government and not-for-profit kindergarten providers seeking co-investments through the Building Blocks Capacity Building stream must refer to, and align their proposed project with, the infrastructure need identified in the KISP.

## 1.4. STRUCTURE OF THE KISP

Each KISP consists of the following sections:

- **Section 1:** A short introduction to the Three-Year-Old Kindergarten reform and the KISP.

- **Section 2:** A map of existing and planned Early Childhood Education and Care service locations.
- **Section 3:** Local knowledge and context relevant to the expansion of kindergarten services.
- **Section 4:** Funded kindergarten demand estimates.

## 1.5. DISCLAIMER

All data presented in this document are estimates only and are based on the best information available to the Department and Local Government at the time. They are published on an as-is basis and are for informational purposes only. They are subject to adjustment in response to market forces and as new data and other relevant information becomes available. The data may under- or over-estimate both total demand in a given location or year and the capacity for new demand to be met by providers. As a result, operational and business decisions should not be made solely based on this document. Any use of this data is solely at the risk of the user. The Department and Local Government accept no responsibility for any loss or damage, either direct or incidental, that may result from the use of the data.

## 2. MAP OF EARLY CHILDHOOD EDUCATION SERVICES IN ARARAT RURAL CITY

The map below shows the distribution of currently operating and new services that are planned to open in the future in the LGA and across its communities.

This map has been prepared using Departmental data, from both the National Quality Agenda IT System (NQAITS) and the Victorian School Building Authority (VSBA). Where applicable, this map has been refined by the Ararat Rural City Council and the Department to capture other services that are planned to open in the future.

Early Childhood Services in Victoria



## 3. LOCAL CONTEXT

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### 3.1 PURPOSE

Local, place-based knowledge and context play an important role in supporting the implementation of Three-Year-Old Kindergarten across Victoria. This section of the KISP documents this knowledge and context and has informed the funded kindergarten enrolment estimates in Section 4.

### 3.2 KEY CONSIDERATIONS

#### **Key demographic trends that influence demand for kindergarten**

Historically the municipality has experienced steady low rates of population growth which is forecast to continue in the Department of Land, Water and Planning's *Victoria in Future 2019* projections. However, the population projections do not identify a major period of transformation which has been underway in recent years. The Opportunities for Pyrenees, Ararat and Northern Grampians (OPAN) project, a migration and workforce attraction initiative funded by Regional Development Victoria explored challenges across the three municipalities. OPAN identified that local industry expansion, plus a pipeline of significant government infrastructure projects will create 1,000 new full-time equivalent jobs that must be filled over the next decade.

Notwithstanding the impact of the global pandemic on the Australian economy, Ararat's economy has been extremely robust. The latest Small Areas Labour Markets data release from the National Skills Commission shows the unemployment rate in the Ararat Rural City Local Government Area fell to just 3.6% in the September 2020 quarter. This compares extremely favourably to an unemployment rate prior to the pandemic of 5.2% in December 2019.

With a large pipeline of employment demand, coupled with a local labour force that is all but exhausted (nearing full employment), Ararat has a critical need for in-migration of workers to meet jobs growth.

Evidence is already showing that the transformation of the economy has driven an accelerated shift to the regions with the adaptation of workplaces providing flexibility for employees and productivity gains for businesses.

This has been confirmed with the release of a report by Infrastructure Australia in December 2020, *Infrastructure beyond COVID-19: A national study on the impacts of the pandemic on Australia*. The report found that more people are working from home outside our capital cities which has driven a 200% increase in net migration from capital cities to regional areas. The report concluded that critical infrastructure sectors would need long term planning certainty with the increased demand of decentralisation placing pressure on regional education, telecommunications, energy, water and waste infrastructure.

In a volatile national employment market, secure employment pathways, professional career development, housing affordability and liveability are strong incentives for individuals or families looking for a rural lifestyle.

A surge of highly skilled young adults and families will create innovation and productivity gains for our economy and wider benefits for the community. Growth in the rural population, increases the critical mass of our towns and cities, boosting viability and prosperity. However, it also places pressure to deliver investment in higher quality infrastructure and services.

Governments and policy makers need to prepare now for the profound change in the way our cities and regions are organised, including planning for the provision of improved health and education services to cater for this growth.

## **Projects or trends that may influence supply of early childhood education and care**

The Victorian and Australian governments have committed investment in a series of major infrastructure projects that will continue to drive expansion of the local economy over the coming decade. This includes the \$1.03 billion Western Highway Duplication, the \$85.2 million East Grampians Pipeline project, the \$30 million Grampians Peaks Trail, the \$3 million Ararat Hills Mountain Bike Trail project, and further large-scale renewable energy investment secured by the upgrade to the Electrical Transmission Network.

In addition, millions of dollars of new infrastructure investment have begun to flow to our region as a result of economic stimulus measures to deliver a COVID economic recovery.

Local businesses in Ararat's manufacturing and agriculture sector are also investing in new plant and equipment that is continuing to drive employment demand. Council have underpinned these initiatives to drive future economic expansion and innovation. This includes securing, in December 2020, a cutting-edge research partnership with Federation University Australia that will reactivate higher education in Ararat via the creation of the Ararat Jobs and Technology Precinct. The landmark facility creates a technological research partnership and business incubator that increases value-added output in the local agriculture and manufacturing sectors.

Ararat is also the most strategically placed region to capitalise on the shift to rapid regional and rural migration. With the best transport connections in rural Victoria, serving as the gateway to Western Victoria, featuring: a high speed four-lane divided highway to Melbourne (2 hours); 54 weekday and weekend passenger services on the Ararat to Melbourne Train line; plus freight rail connections to Melbourne, Geelong and Portland.

Ararat hosts a number of the region's major health facilities. The East Grampians Health Service, and the Ararat Medical Centre deliver health services to a regional catchment area of 25,000 people. East Grampians Health Service offers urgent care, surgery, birthing and midwifery, medical imaging, dental and physiotherapy services. The hospital is also critical to the wider region, providing specialist surgery operations referred from Ballarat to Ararat.

Active sport and recreation is the lifeblood of the community and a major feature of community life in each and every town. As is our unique historic and nature-based tourism offerings and strong focus on arts and culture.

Ararat is host to a digital transformation currently underway. This includes: selection in September 2020 as one of the initial regional rollout locations nationally for an NBN Business Fibre Zone; a 5G mid-band rollout being delivered by Telstra early in 2021; and the Victoria Government has committed to deliver an Australian first technology advancement as part of the rollout of free public Wi-Fi in Ararat via the Victorian Digital Connectivity Services Program.

These services, strategic and geographical benefits are already delivering results with a massive boom in demand for the Ararat housing market.

A media report published on domain.com.au in August 2020 showed that Ararat was the number one location in Victoria for increased views per listing outside of a major regional centre compared to 2019 (and 5th overall of all locations in Victoria).

The real estate market in Ararat is currently extremely hot with properties close to the median price point of \$250,000 typically selling to recently relocated workers and Melbourne investors within a day.

Australia's capital city housing marketing is fast becoming out of reach for many with prices continuing to rise rapidly. The current median house price in Ararat of \$250,000 is almost a quarter of the \$936,000 median price in Melbourne.

To accommodate the demand to expand the supply of housing to meet population growth, Council has unlocked the Ararat East Development Area, with the Green Hill Lake Estate development to deliver 160 new housing lots. Other housing developments include the latest release of the Evans Park Estate which is selling strongly and the new Chalambar Links Estate. Together these developments show the market is responding to recent confidence in the housing market driven by rapid population growth.

Ararat Rural City Council's focus on creating a strong economy with a stable housing supply, lifestyle and affordability is giving first home buyers and young families the confidence and security to move to regional Victoria for employment opportunities and to buy a home.

These trends and opportunities are expected to significantly influence a continued shift of young skilled and unskilled workers and their families moving to the region, placing significant demand on the need for investment in early childhood services to keep pace with growth.

### **Key local geographic considerations or information relevant to Three-Year-Old Kindergarten**

The KISP shows strong potential to accommodate future demand by optimising existing services across the municipality as a whole. However, the maximum potential for accommodating increased demand exists in our kindergarten services in Lake Bolac and Willaura. These facilities are located up to 45 minutes away from the municipality's population centre in Ararat, and therefore these two sites are unlikely options for Ararat families to utilise.

Ararat's long day care facilities (LDC) already have significant waitlists for three and four-year-old kinder programs, suggesting there is currently demand for kinder places that cannot be accommodated in Ararat. It is expected that the reason there is a waitlist for enrolments at LDC facilities is because of the diversity of services offered. This includes extended hours of operation, providing before and after kinder care, school holiday programs, and flexibility of service, catering to the needs of many working parents.

Ararat's LDC facilities do not currently offer a full 5 day per week, 5 hours a day kinder program as was used for the optimisation modelling in this report. Work will need to be undertaken to directly work with local kinder providers to explore the actual optimisation potential for their centres. Therefore, the licensed place multipliers used to forecast optimisation in this report may not be realised in a real-world application.

### **Other information about the expansion of early childhood services**

Other challenges that may limit the optimisation of existing services, include the age and tenure of the current spaces utilised by local NFP sessional kindergartens which are not fit-for-purpose. This will be further compounded by technological advances over the next decade, with a need to provide a modern classroom teaching and learning environment. This will rapidly influence the need for further investment in modern facilities and equipment to ensure our children can reach their maximum potential by laying the foundation for lifelong learning with access to quality early childhood facilities.

COVID-19 has also impacted on many opportunities to create more kinder places by optimising local facilities, as a result, new health and safety and infection control measures will limit the ability to offer additional places in existing kinder rooms.

# 4. FUNDED KINDERGARTEN ENROLMENT ESTIMATES BETWEEN 2021-29 FOR ARARAT RURAL CITY

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## 4.1 PURPOSE

As Three-Year-Old Kindergarten is rolled-out and Victoria's population grows, demand for both Three and Four-Year-Old Kindergarten places will increase significantly. While additional capacity will be needed to meet this demand, this will vary across the State and over time, due to differences in the capacity of existing services, growth trends and sector composition.

To identify where, when and how many additional kindergarten places are expected over the roll-out in Ararat Rural City, Ararat Rural City Council and the Department have developed:

1. A summary of the current provision of kindergarten within the LGA (**Section 4.3**).
2. An approach to optimising the utilisation of existing services and infrastructure through 'change management' strategies that Ararat Rural City Council and the Department will support to help meet additional demand in the LGA (**Section 4.4**).
3. An estimate of the Three and Four-Year-Old kindergarten places that cannot be met through existing services for the 2021-29 period, taking into account the additional demand that can be accommodated by optimising utilisation of existing services and infrastructure through point 2, above (**Section 4.5**).

Local Government and providers can use these published estimates to inform reform implementation activities such as service planning, kindergarten program expansion, infrastructure investments and Building Blocks funding applications in alignment with future demand over the 10-year roll-out.

## 4.2 METHODOLOGY

The estimated Three and Four-Year-Old Kindergarten places used in the following sections have been agreed between Ararat Rural City Council and the Department, and were informed by:

- Estimates developed by the Department which draw on a range of inputs, including population forecasts, current enrolments and results from the Kindergarten Capacity Assessment Program (KCAP), conducted in 2019.
- The estimated capacity of new services that are planned to open in the LGA (Section 2)
- Local knowledge and context provided by the Local Government (Section 3) that explains particular issues and trends in their area.
- The approach to optimising utilisation of existing services in the LGA (Section 4.4), and
- Other sources, such as modelling undertaken by Local Governments and local data.

The KISP measures a service’s capacity to deliver funded kindergarten in terms of the number of children it could enrol in Three and Four-Year-Old Kindergarten. The number of funded kindergarten places is different from a service’s licensed or approved places, which count the number of children permitted to attend the service at any one time under the license. Many services can enrol more children in their funded kindergarten program(s) than they have licensed places for because they can run more than one kindergarten program per week. Kindergarten places are therefore a more accurate measure of service kindergarten capacity than licensed places.

Three-Year-Old Kindergarten places have been presented as 15-hour places so they can be easily compared to Four-Year-Old Kindergarten places. Moreover, when Three-Year-Old Kindergarten is fully rolled-out in 2029, every three-year-old child will have access to 15-hours of kindergarten.

From 2023 all providers will have flexibility to determine how many hours of funded Three-Year-Old Kindergarten they deliver per week, with a minimum of five hours and a maximum of 15-hours funded pro-rata. It is expected that hours offered will vary. Given this variation, **it is important to be aware that during the transition to all three-year-old children receiving 15-hours of funded kindergarten per week in 2029, the 15-hour places presented in this report may represent multiple three-year-old places that individually receive less than 15-hours of kindergarten per week.**

These estimates have been developed at an LGA and community level to show the overall forecast and variation within an area. The KISP defines community at the Statistical Area Level 2, which is medium-sized areas which represent a community that interacts socially and economically, with a population range of 3,000 to 25,000 people, and an average population of about 10,000 people.

### 4.3 SUMMARY OF CURRENT KINDERGARTEN PROVISION

The figures below provide a summary of current kindergarten provision within the LGA and provide relevant context for the estimates of demand for funded kindergarten places included in Section 4.5. The data included in this section are largely drawn from:

- The Kindergarten Capacity Assessment Program (KCAP), collected between June and October 2019.
- The Department’s Kindergarten Information Management System (KIMS), as at 2019.
- The Department’s Quality and Regulatory Division (QARD) monitoring data, as at 2019.
- The National Quality Agenda IT System (NQAITs), as at April 2020.
- The Victorian Child and Adolescent Monitoring System (VCAMS), as at 2018.

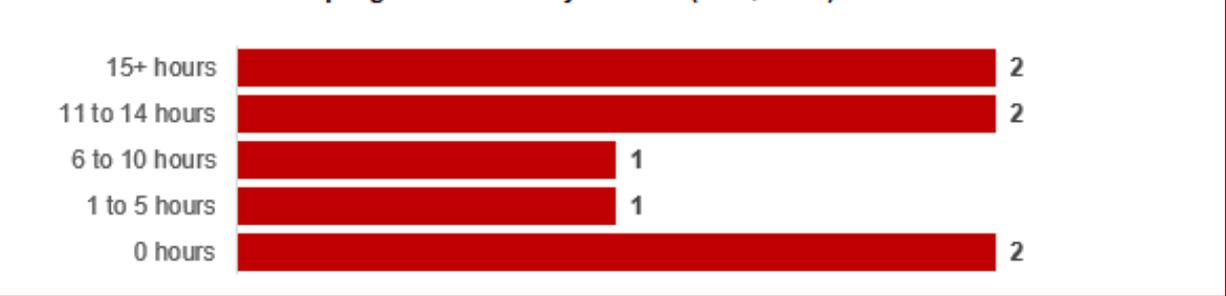
Please note that, because these sources were collected at different points, this may result in slightly different totals appearing in the below data.

Number of services by service type (NQAITs, 2020)	
Stand-alone kindergartens	6
Long day care centres	2

Percentage of services by management type, LGA level (NQAITs, 2020)	
Type	Percentage
Local Government	0%
Private not for profit	75%
Private for profit	25%
Other	0%

Current kindergarten offering	
Four-Year-Old Kindergarten participation rate (VCAMS, 2018):	102%
Number of services that offer a funded kindergarten program (DET, 2020):	8
Number of services that offer an unfunded Three-Year-Old Kindergarten program (DET, 2019):	6

Hours of unfunded 3YO programs currently offered (DET, 2019):



#### 4.4 APPROACH TO OPTIMISING THE USE OF EXISTING SERVICES AND INFRASTRUCTURE

##### Change management strategies to optimise existing services and infrastructure

Children can often be accommodated through existing spare places and by services ‘unlocking’ unused capacity. As the experience of providers in the 2020 Three-Year-Old Kindergarten roll-out LGAs shows, while the optimisation of existing services can be challenging, it is highly time- and cost-effective compared to building new capacity through infrastructure projects. It also helps target infrastructure investment to the places that need it most and avoids over-supplying the local market.

Ararat Rural City Council and the Department will support providers and services to maximise their kindergarten places through the following change management activities and practices:

- Increasing the capacity of any Local Government operated services by:

- Running additional programs.
  - Using different timetables, including running 7.5-hour days.
  - Changing the delivery model, such as introducing rotational models or mixed-age groups.
  - Having degree-qualified kindergarten teachers leading integrated kindergarten programs in long day care settings.
- Encouraging and supporting other providers and services in the LGA to undertake change management.

Ararat Rural City Council and the Department have estimated how many Three and Four-Year-Old Kindergarten places can be accommodated through existing services in the LGA (**Table 1**). Both parties are committed to helping providers and services offer these kindergarten places before progressing to funded infrastructure solutions to meet demand. This commitment is reflected in the LGA and community level estimates below (**Table 2** onwards), which assume that demand will be met first through existing services and second through additional infrastructure. Note that in some cases the number of kindergarten places that can be offered through existing services may exceed demand for kindergarten places.

**Table 1: Total estimated funded kindergarten places that can be offered by optimising existing services and infrastructure across the LGA, between 2021-29 (presented in 15-hour equivalent places)**

	2021	2022	2023	2024	2025	2026	2027	2028	2029
Estimated existing supply of kindergarten places*	375	375	375	375	375	375	375	375	375

\*This may be higher than current three and four-year-old enrolments as it includes any spare places that are currently available or could be generated by making some minor adjustments to programming approaches.

\*\*The likely expansion of services and kindergarten places in response to population growth (i.e. growth in demand not generated by the Three-Year-Old Kindergarten Reform that would likely occur) is not accounted for in these estimates.

## 4.5 AGREED ESTIMATES OF DEMAND FOR FUNDED KINDERGARTEN PLACES THAT CANNOT BE MET THROUGH EXISTING SERVICES AND INFRASTRUCTURE

The below estimates (**Table 2** onwards) have been developed by Ararat Rural City Council and the Department to illustrate the estimated:

1. Total number of Three and Four-Year-Old Kindergarten places expected over the roll-out period.
2. Three and Four-Year-Old Kindergarten places that cannot be accommodated by optimising existing services and infrastructure over the roll-out period.

These estimates have been developed to reflect that the increase in demand for Three-Year-Old Kindergarten places will be gradual.

In estimating how many Three and Four-Year-Old Kindergarten places cannot be accommodated by existing services and infrastructure, Ararat Rural City Council and the Department have taken into account any new places that will be made available through planned expansions of existing services or new services, into estimates of existing supply, where this information is available. This may include Local Government owned services being developed and planned Kindergartens on School Sites.

These estimates do not, however, estimate how and when the broader sector will expand to meet the additional demand for kindergarten places that are estimated over the roll-out period.

Infrastructure need in the LGA and its local communities is indicated by the bottom rows of the tables in this section (**Table 2** onwards): ‘Total kindergarten places that cannot be accommodated by existing services’. For example, if the number of kindergarten places for the LGA or a community is above zero in this row, it means that the area is estimated to need additional infrastructure (noting that further optimisation which avoids the need for additional infrastructure may be possible). Any type of provider – Local Government, not-for-profit or for-profit – can build this additional infrastructure. If this row shows all zeros, it means that there is no estimated need for additional infrastructure in the area.

Local Government and not-for-profit kindergarten providers must refer to the estimates in this section when applying through the Building Blocks Capacity Building Grants stream for Government funding. Under this stream, projects must be in a community where there is infrastructure need as shown in the community’s table of estimated demand for kindergarten places (i.e. there are numbers in the bottom row above zero). Projects in LGAs or communities where demand can be met through existing services (i.e. the bottom row shows all zeros) are not eligible for funding under this stream.

### LGA estimates

**Table 2: Estimated three and four-year-old kindergarten places between 2021-29 (presented in 15-hour equivalent places)**

<b>LGA level estimates</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
Total estimated demand for kindergarten places (three and four-year-old children)	214	218	220	224	226	239	239	239	239
Total kindergarten places that cannot be accommodated by existing services	0	0	0	0	0	0	0	0	0

## Community estimates

**Table 3-4: Estimated three and four-year-old kindergarten places between 2021-29  
(presented in 15-hour equivalent places)**

<b>Ararat estimates</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
Total estimated demand for kindergarten places (three and four-year-old children)	175	179	181	185	187	198	198	198	197
Total kindergarten places that cannot be accommodated by existing services	0	0	0	0	0	0	0	0	0

<b>Ararat Region estimates</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
Total estimated demand for kindergarten places (three and four-year-old children)	39	39	39	39	39	41	41	42	42
Total kindergarten places that cannot be accommodated by existing services	0	0	0	0	0	0	0	0	0

## 5. AUTHORISATION

The Area Executive Director (Central Highlands) of the Department of Education and Training and the Chief Executive of Ararat Rural City Council endorse this Kindergarten Services and Infrastructure Plan (KISP) for Ararat Rural City by signing on 23/03/2021.

This KISP is not intended to create legal relations or constitute a legally binding contractual agreement between the parties. The parties may review this KISP in 2024 to publish a new version that will replace the previous version.

An out-of-cycle review may be triggered if both parties agree that there has been a change in relevant data, information or the local early childhood sector that significantly affects the reliability of a KISP's estimates for planning purposes.

### Signed for and on behalf and with the authority of Ararat Rural City Council

Signature



Name: Dr Tim Harrison

Title: Chief Executive Office

Address: Ararat Rural City Council. 59 Vincent Street, Ararat, Victoria, 3377

Witness Signature



Name: Mr Tim McDougall

Title: Economic Development Coordinator

### Signed by Area Executive Director (Central Highlands), Department of Education and Training



Signature

Name: Jennifer McCrabb

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Witness Signature