

Client
TLC Melbourne Pty Ltd

Date
16 April 2024

Planning

Transport

Urban Design

Waste Management

Needs Assessment

321 Lower Heidelberg Road, Ivanhoe East



ratio:

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Application No. P4/2024

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Project
321 Lower Heidelberg Road, Ivanhoe East
Version 2 – dated 16 April 2024

Prepared for
TLC Melbourne Pty Ltd
Our reference
15074NA001

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1. Introduction

1.1. Instructions

Ratio Consultants has been engaged by TLC Melbourne Pty Ltd, the owner and permit applicant in this matter, who is seeking to construct a purpose built 96-place childcare centre as part of an integrated community facility on the land located at 321 Lower Heidelberg Road, Ivanhoe East.

The site is located on the eastern corner of the intersection of Lower Heidelberg Road and Maltravers Road in Ivanhoe East. Access to the site will be via King Street which runs along the sites' southern boundary and leads to a basement car park with 96 car parking spaces. The childcare centre will span over two levels with pedestrian access provided via the lower ground floor (via King Street) and ground floor (via Lower Heidelberg Road).

We have been engaged to prepare a childcare needs assessment to determine the need for a new childcare centre in this location, noting that the other components of the development have not been considered in this assessment.

This report has been prepared to respond to Clause 13.07-1L 'Non-residential uses in residential areas' of the Banyule Planning Scheme. The relevant locational strategy of this clause includes a preference to locate non-residential uses:

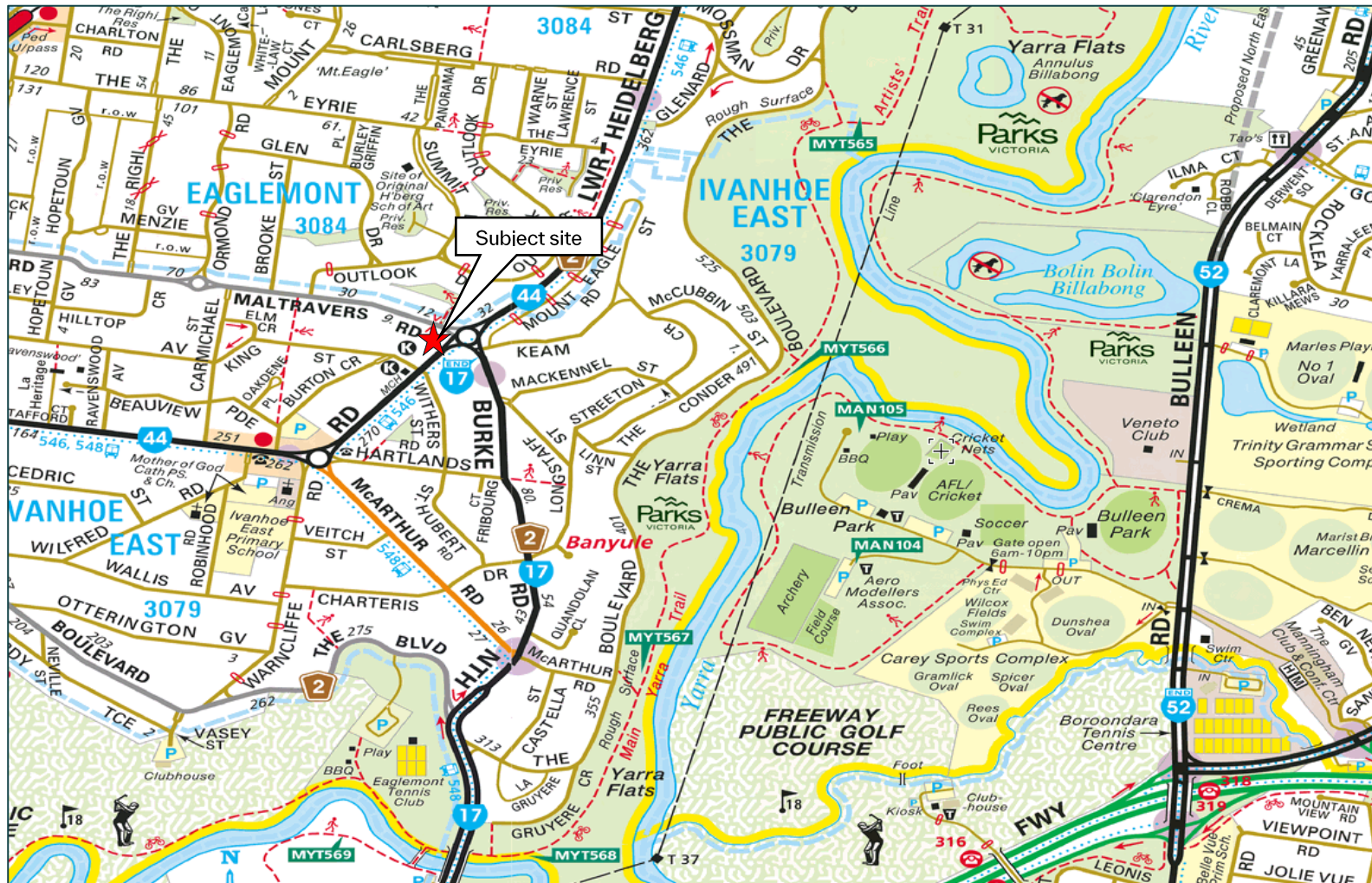
'Where there is demonstrable local community need for the proposed facility or service'.

This report sets out the existing and future need for childcare in the local area and should be read in conjunction with the planning report submitted with the application.

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Figure 1: Locality plan



Source: www.street-directory.com.au

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1.2. Investigations and research

In the course of preparing this report, we have:

- Reviewed the application plans;
- Reviewed the proposed catchment of the centre;
- Reviewed key demographic characteristics of the catchment;
- Reviewed the current and proposed supply of childcare centres in the catchment;
- Reviewed population projections for the catchment;
- Analysed and summarized the findings of the data; and
- Prepared maps to accompany the report.

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2. Long Day Care

2.1. Introduction

Childcare and early childhood education are essential services provided to families to ensure the ongoing wellbeing of both children and parents. They provide key opportunities for children's development and social engagement and for enabling families to engage fully in the labour market, each of which is important in contributing to stronger families¹.

There are five options for childcare and early education in Australia:

- Home-based care;
- Centre-based care;
- Family day care;
- Business-related creches; and
- Outside school hours care.

Centre-based care can take the form of long day care, occasional care, pre-schools and kindergartens. More specifically, this assessment looks at the provision of long day care only.

Long day care at a childcare centre suits many families who work regular weekdays during a typical 12-13 hour window between 6.00am and 7.00pm. The proposed centre will be open between 7.00am and 6.00pm Monday to Friday.

2.2. How does Long Day Care operate?

Long day care centres may be run by private operators, local councils, community organisations, employers and non-profit organisations.

Primarily aimed at 0–6 year olds, long day care is usually based in a centre and the education and care programs are created around the developmental needs, interests and experience of each child². All long day care services are rated under the National Quality Framework, which reviews the quality of most types of early childhood services.

Services are governed by regulations which set limits on the number of children that can be cared for by each carer. This varies by State and by age. In Victoria, within childcare centres the following ratios apply:

- Birth to 24 months 1 educator to 4 children
- 24 to 36 months 1 educator to 4 children
- 36 months and older 1 educator to 11 children

The number of children enrolled in each centre is determined by the Regulatory Authority and is dependent on the size of the building and outdoor play space. Children are often grouped by their aged according to the age of the children, the size of a room and the number of educators within the room.

Most Long Day Care centres provide meals and nappies for children at no additional cost. However, the daily fee for a centre is determined by the centre and can vary quite significantly within a local catchment.

¹ Childcare and early childhood education in Australia, Australian Institute for Family Studies, Fact Sheet 2015

² Department of Education and Training

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2.3. Why is Long Day Care required?

High quality early childhood education gives children the best start in life. It provides important opportunities to learn and develop. Early childhood education can help children make friends, develop independence and learn new routines. It also supports their transition to school. For parents, it supports their economic and social participation, in particular the return to work after having children.

For parents returning to work, the routine and regularity that Long Day Care provides is critical to ensuring a smooth transition back into the workforce. As centres run every weekday, parents are able to choose days that work for them as a family rather than having to fit in around a schedule that does not work for them.

There is a growing demand for childcare which is experienced throughout Victoria. This is in part driven by population growth, population migration and the rising participation of women in the workforce.

2.4. How accessible is childcare?

A recent study by The Mitchell Institute for Education and Health Policy at Victoria University has reviewed access to childcare in over 50,000 neighbourhoods across Australia and identified there is a disparity depending on where you live.

Approximately 9 million Australians (35.2% of the population) live in areas the researchers identified as 'childcare deserts'. 'The definition of a childcare desert is a populated area where there are less than 0.333 childcare places per child, or more than three children per one childcare place. About 568,700 children aged 0 to 4 years, or 36.5% of children in this age group, live in neighbourhoods we classify as a childcare desert³.

Childcare deserts may have inadequate to no services catering to families and are most commonly found in regional or remote areas. However, there are more than 5.3 million Australians who live in major cities that would be classified as a childcare desert.

Additionally, areas designated as being of lower socioeconomic access have lesser access to childcare services while, correspondingly, greater access to services are available in neighbourhoods where fees are higher.

The research shows that for the Ivanhoe East area, where the proposed centre is located, between 2.17 and 3.48 children compete for each childcare place⁴, depending on the neighbourhood. Out of 9 neighbourhoods, 1 is classified as a childcare desert and 0 are childcare oases.

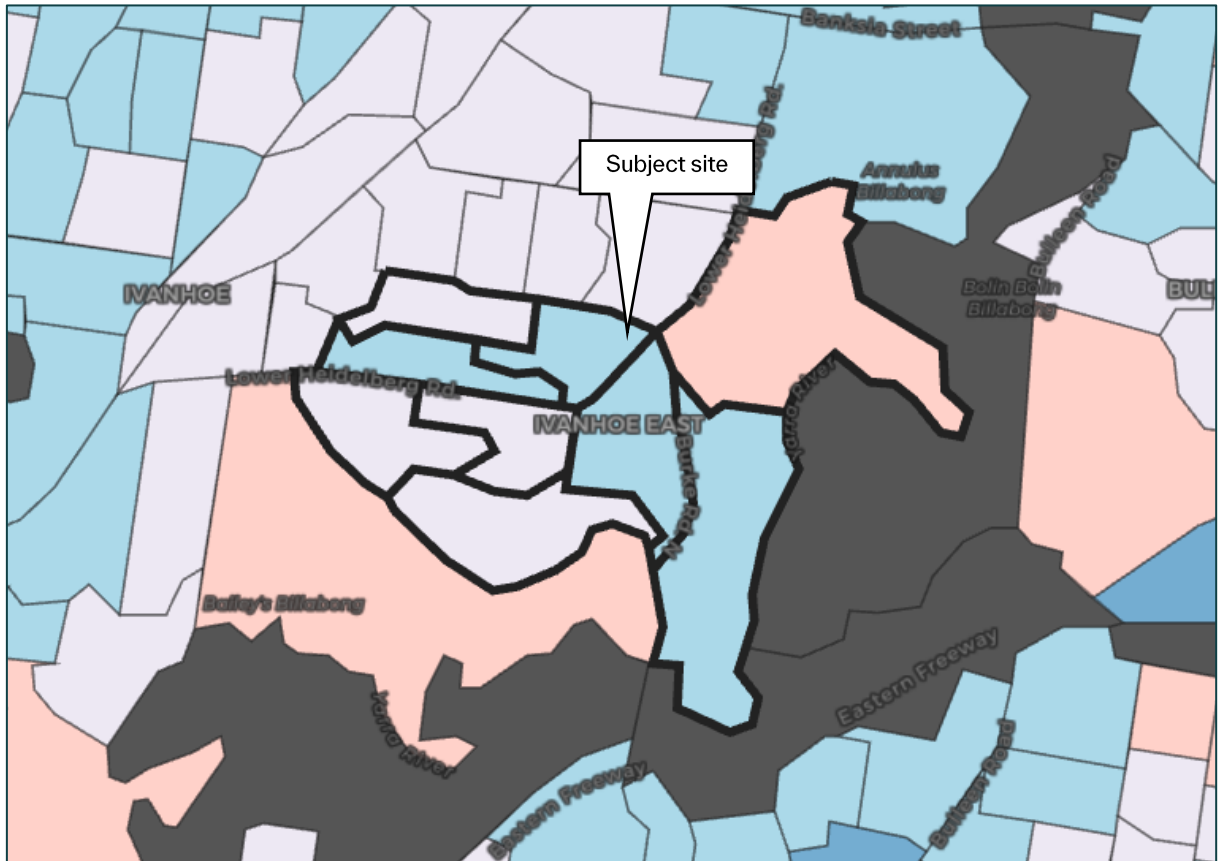
³ Hurley, P., Matthews, H., & Pennicuik, S. (2022). Deserts and oases: How accessible is childcare? Mitchell Institute, Victoria University

⁴ ibid

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Figure 2: Ivanhoe East childcare access



Source: Mitchell Institute, Victoria University – ‘Deserts and oases: How accessible is childcare?’

The map above shows that the proposed centre is located in an area where there is modest access to childcare, sitting at 2.34 children per childcare space. We note that the area immediately east of the site has 3.48 children per childcare space.

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3. Proposed Catchment

3.1. Introduction

In determining the local need for a childcare centre, we must first determine what the likely catchment will be for that particular centre.

Not all childcare users will come from within a designated catchment area (i.e., 2.5km), as some users choose to use childcare facilities close to where they work rather than where they live or would be prepared to travel longer distances. Additionally, some users will choose a centre based on the programs offered at the centre or for cultural associations.

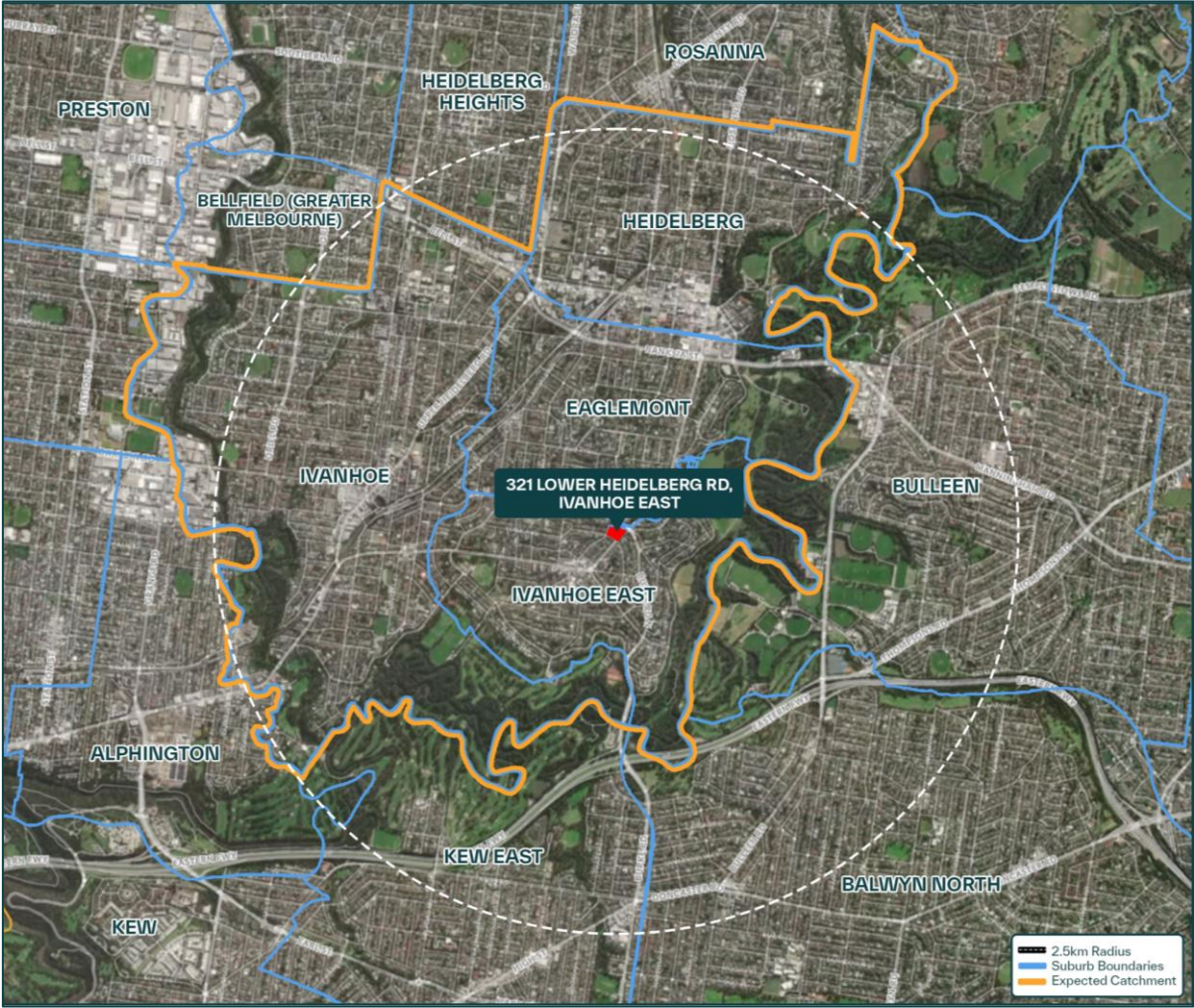
The choice of a 2.5km radius is also influenced by the proximity of other childcare centres, recognising that accessibility to other centres will impact on the size of the catchment. In reviewing the expected patron catchment, a 2.5km radius encapsulates the suburbs of Ivanhoe East, Ivanhoe, Eaglemont and Heidelberg. We have not included the suburbs of Bulleen or Balwyn North in the assessment due to the physical separation of these suburbs from Ivanhoe East created by the Yarra River and the Eastern Freeway.

For the purposes of the assessment, we have determined that the patron catchment includes the suburbs of Ivanhoe East, Ivanhoe, Eaglemont and Heidelberg as illustrated in Figure 3 over page.

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Figure 3: Expected catchment of centre



Source: Landchecker, prepared by Ratio Consultants

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4. Existing Supply of Childcare Centres

4.1. What is the existing supply of childcare centres?

Based on the expected local catchment of the centre as determined in Section 3, we have undertaken a review of existing childcare centres within proximity of the subject site as depicted by Figure 3.

Figure 4 and Table 1 show the location of all childcare centres within the local area and their maximum capacity.

Figure 4: Location of childcare centres



Source: Care for Kids website, Landchecker, prepared by Ratio Consultants

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Table 1: Childcare centre capacity

Centre Name	Long Day Care Places
Guardian Childcare & Education East Ivanhoe	91
Goodstart Early Learning Ivanhoe	40
Ivanhoe Children's Community Co-op	48
Nino Early Learning Adventures Ivanhoe	111
Goodstart Early Learning Heidelberg	122
TOTAL	412

As at 10 October 2023, there is a total of 412 accessible long day care spaces within the identified catchment area, not including the proposal. We also note that there is a 76-place childcare centre located at Austin Hospital (Austin Child Care Centre), however, this is a work based centre for Austin Health employees only and not available to the general public and therefore has not been included in this assessment.

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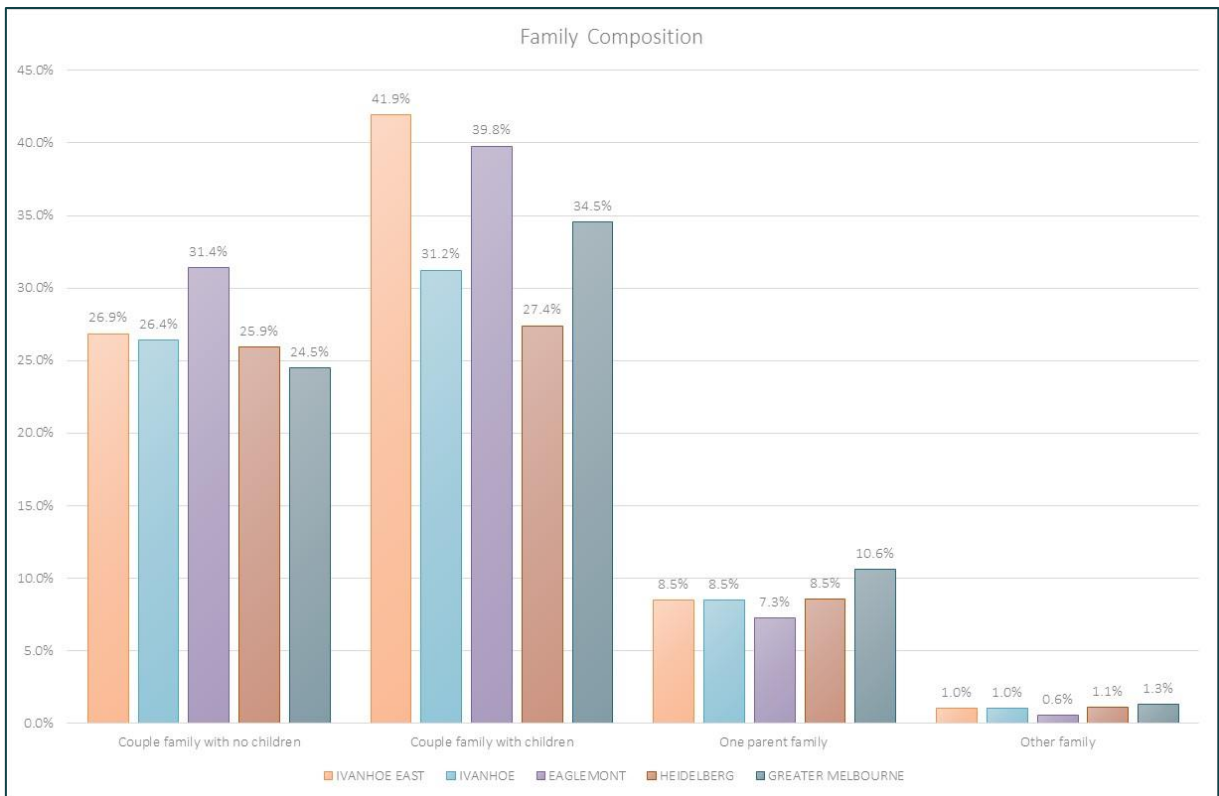
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5. Key Demographics

5.1. Family Composition

The expected catchment of the proposed childcare centre has both higher and lower proportions of 'couple family with children' households than the Metropolitan average. The suburb where the proposed centre is located, Ivanhoe East, has a substantially higher proportion of 'couple family with children' households when compared to the Metropolitan average.

Figure 5: Family composition



Source: ABS 2021 Census

5.2. Labour Force Participation

All suburbs within the expected patron catchment have higher than average labour force participation when compared to the Metropolitan average. This indicates a greater likelihood for the need for childcare services in these areas.

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Figure 6: Labour force participation



Source: ABS 2021 Census

5.3. Family income

Given the changes to the childcare subsidy from July 2023, we have reviewed the proportion of families that will likely receive an increase in their childcare subsidy within the expected catchment of the proposed childcare centre.

This shows that the suburbs within the expected patron catchment have lower proportions of families (either couple family with children or one parent families) that earn less than \$78,000 per annum when compared to the Metro average. Whilst the subsidy increases apply to those families earning less than \$80,000 we consider this to be a conservative estimate⁵.

This does not preclude other families from receiving an increase in the childcare subsidy as the income threshold for receiving the childcare subsidy has increased from \$356,756 to \$530,000. Those earning under \$80,000 however are subject to a 90% subsidy.

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⁵ ABS data does not allow a calculation for families earning less than \$80,000 due to the income groupings. The data uses the most closely aligned figures.

Figure 7: Family income less than \$78,000 per annum



Source: ABS 2021 Census

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6. Analysis

6.1. Existing demand for Long Day Care

There are various surveys and data sources that review the participation of Victorian children in childcare and early childhood education.

The Childhood Education and Care Survey (CECS) is issued by the ABS and covers the topics of childcare and early childhood education and learning activities for children aged less than 13 years. The latest iteration of this survey was completed in June 2017 and identified that approximately 31.1% of Victorian children (aged 0-5 years) use some form of long day care.

The Report on Government Services (2023) reports on the performance of early childhood education and care (ECEC) services, which comprise child care and preschool services. This report found that nationally in 2022, the proportion of children aged 0-5 years attending approved childcare services was 48.2% (up from 47.2% in 2021). For Victoria, the proportion of children aged 0-5 years attending approved childcare services was 46.7% (up from 45.1% in 2021).

Both figures above apply to all LGA's within Victoria. Data at a more localised level is not available.

It is also important to distinguish the number of childcare places provided from the number of children who attend services, because of the episodic nature of some services. For example, many children attend on a part time basis, for some sessions or on some days, so it is possible for one place to accommodate more than one child. Therefore, it is difficult to measure accurately how many children access multiple services.

Further to this, child care usage is not consistent throughout the year as children enter and leave care at different points of the year, depending on the child's situation. The number of children that have utilised child care across a given year can be greater or less than the number using care at any point in time.

To gain a general understanding of the need for the proposed use within the area, we have reviewed the child population (aged 0 – 5 years) within the designated catchment area and the immediate area and the likely participation within long day care for the same area (refer to Table 2 over page), noting that we have provided figures based on the two very different participation rates above.

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Table 2: 2021 Population of Children 0-5 years

Suburb	Children aged 0-5 years ⁶	31.1% participation rate (potential demand)	46.7% participation rate (potential demand)
Ivanhoe East	191	59	89
Ivanhoe	704	219	329
Eaglemont	190	59	89
Heidelberg	504	157	235
TOTAL	1589	494	742

Within the broader identified catchment area of the proposed centre, there was a total of 1,589 children aged between 0 and 5 years as at the 2021 Census.

Applying the above participation rates across this age group there would be a demand for between approximately 494 and 742 childcare spaces.

We have considered whether there would be a sufficient supply of childcare spaces (assuming 80% occupancy) to cater for the expected demand. This figure sits at 80% rather than a higher amount as it is considered that at this point, reduction in choice and number of days, age bracket for the places available, location, style of centre and market competition for improved facilities all begin to have a negative impact on parent choice for their childcare needs.

Given that 80% occupancy of childcare places is considered to present peak demand (330 childcare spaces), there is a current demand (or shortfall) for another 164 - 412 childcare spaces in the catchment area. This calculation does not take into consideration the proposed centre.

6.2. Future demand for Long Day Care

We have also reviewed the estimated population growth within the expected catchment to 2026.

This data shows that the expected catchment will experience a 51.7% increase in the number of 0-5 year olds by 2026 (total number of 0-5 year olds is estimated to be 2,411⁷), adding to future demand. For clarification we have provided a breakdown of the future estimated demand for childcare in this location.

Table 3: 2026 Population of Children 0-5 years

Suburb	Children aged 0-5 years ⁸	31.1% participation rate (potential demand)	46.7% participation rate (potential demand)
Ivanhoe East	241	75	113
Ivanhoe	1,117	347	522
Eaglemont	256	80	120

⁶ Population figures have been derived from 2021 ABS Census data

⁷ Estimates based on data from id consulting population projections prepared for the Banyule City Council.

⁸ Data obtained from id consulting population projections. As data provided in 5 year cohorts, 20% of the 5-9 year cohort has been used to determine the number of 5 year olds.

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Heidelberg	798	248	373
TOTAL	2,412	750	1,128

It is estimated that there will be a total of 2,412 children aged between 0 and 5 years within the identified catchment area by 2026. Application of the above participation rates across this age group indicates that there would be a demand for between approximately 750 and 1,128 childcare spaces by 2026.

Applying the 80% occupancy rate to the existing number of spaces and assuming that there are no other centres constructed or operating, there would be a future demand (or shortfall) for another 420 – 796 childcare spaces in the catchment area.

The proposed centre is seeking approval for 96 childcare spaces which would help ensure there are ample opportunities for those parents who need to access long day care services to be able to do so, especially within the immediate area.

Whilst other factors including attendance rates and consumer choice will influence the actual demand, it is clearly evident that there is underlying demand for childcare facilities within the catchment area with an estimated shortfall of between 420 and 796 spaces to cater for increasing demand up to 2026.

We also note that changes to the childcare subsidy introduced in early March 2022 increased the amount of subsidy available to families with multiple children under the age of five in care, with the aim to make it more affordable for those families and allow parents to increase their participation in the workforce. Further changes to the subsidy were introduced in July 2023 where the amount of subsidy will increase further for those families earning under \$530,000 per annum. Families earning up to \$80,000 will get an increased maximum subsidy amount from 85% to 90%.

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7. Conclusion

It is evident from the preceding assessment that there is currently an undersupply of childcare places within the proposed catchment. However, if there were an 'oversupply' of childcare places, it does not directly translate that there is no need or demand for childcare. It is important to provide diversity of choice, location, educational and/or religious preferences and price point.

Demand for childcare will continue to increase across Australia, especially on the back of the childcare reforms proposed by the Labor Government which seeks to make it more affordable for families to access childcare places by increasing the maximum childcare subsidy rate for the first child and increasing the threshold to households earning less than \$530,000 annually.

Based on the information contained in this report, we are satisfied that there is a demonstrable need for the proposed childcare facility and local need for further childcare places within the area.

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