

Community Development Report

Committee Consideration – 9 February 2021
Council Resolution – 23 February 2021

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Committee	9 February 2021
Council	23 February 2021
Applicant	City of Nedlands
Employee Disclosure under section 5.70 of the Local Government Act 1995 and section 10 of the City of Nedlands Code of Conduct for Impartiality.	Nil.
Director	Pat Panayotou – Executive Manager Community Development
Attachments	Nil.
Confidential Attachments	Nil.

Executive Summary

The Nedlands Playgroup has written to the City requesting a waiver or reduction of their building usage fees. Council has already approved Fees and Charges for the Nedlands Playgroup. Therefore, any change to those already-approved Fees and Charges can only be made by Council.

Recommendation to Committee

Council:

1. acknowledges the importance of Playgroups to the well-being of families in the City of Nedlands.
2. accepts the Nedlands Playgroup's agreement to pay \$200 per month towards their outstanding debt to the City, for the period January – June 2021 inclusive.
3. agrees to waive \$5,347 of the \$6,547 debt currently owed by the Nedlands Playgroup to the City, conditional on the Playgroup:
 - (a) making the agreed monthly payments for the period January – June 2021 inclusive; and,
 - (b) returning to paying standard fees for the usage of their building from 1 July 2021.

Background

Playgroups Generally

Playgroups provide important services and support to parents and their very young children. Playgroups are not childcare. Parents attend playgroup with their children, meeting regularly with other parents and their children. Playgroups are run by volunteer parents and usually have little or no funding available to them, other than the membership and session fees paid by the parents themselves.

Playgroup sessions provide children with all the benefits of learning; as well as physical, social and emotional development that occurs through play. Additionally, playgroup sessions bring *parents* together, creating and strengthening local networks and supports. Playgroups help break down social isolation and contribute to the well-being of parents and young children.

The Nedlands Playgroup

The Nedlands Playgroup uses a small building on College Park, called the College Park Family Centre. The building is owned and maintained by the City. In February 2018, Council considered a report on what the City's playgroups and toy libraries were to be charged for their use of a Council building. In response to the report, Council set the charges for the playgroups and toy libraries for a 4 year period, to give the groups some certainty and the ability to plan ahead. As part of this decision, Council set the following annual charges for the Nedlands Playgroup:

Table 1: Nedlands Playgroup Fees as Set by Council February 2018

Nedlands Playgroup	2017/18	2018/19	2019/20	2020/21
	\$2,350	\$2,900	\$3,450	\$4,000

However, 2020 saw the arrival of the COVID-19 pandemic in Australia. In response to the pandemic, in October 2020 Council adopted its Hardship Provisions Policy, thereby reducing the Nedlands Playgroup's 2019/20 fee from \$3,450 down to \$2,547. Thus, the two Council decisions together have now resulted in the following being the approved annual charges for the Nedlands Playgroup:

Table 2: Nedlands Playgroup Fees as Updated by Council October 2020

Nedlands Playgroup	2017/18	2018/19	2019/20	2020/21
	\$2,350	\$2,900	\$2,547	\$4,000

The current status is for the Nedlands Playgroup to be charged \$2,547 in 2019/2 and \$4,000 in 2020/21.

Discussion/Overview

Current Situation

A number of factors have impacted the Nedlands Playgroup's capacity to pay these amounts, so the group has written to the City requesting a waiver or reduction of the fees owed. The factors impacting the group's capacity to pay are:

- Reduced playgroup membership
- Late issuing of the 2019/20 invoice by the City
- Earlier than usual issuing of 2020/21 invoice.

Reduced membership: The Nedlands Playgroup has had reducing membership for some time now. This is also being experienced by other playgroups in the City to some extent but seems to have impacted the Nedlands Playgroup even more than other playgroups. The pandemic further reduced membership numbers for the group as they were forced to close for a period in early 2020. The group states that their current membership is only 21 members.

Late issuing of the 2019/20 invoice by the City: invoices for the 2019/20 financial year were sent out later than usual, to allow Council time to consider and adopt its Hardship Provisions Policy in relation to the pandemic. For this reason, the 2019/20 invoice was not sent to the playgroup until December 2020. Unfortunately, it was sent to a person who was no longer involved with the playgroup, which meant that the current playgroup president was not aware of the invoice until very recently, when the City followed up on non-payment of the account. This meant that the 2019/20 account for \$2,547 was received close in time to the 2020/21 account for \$4,000; and together, the two invoices present a problem for the playgroup, given its low membership levels.

Towards a Solution

There is a relatively easy "fix" for the unfortunate error of an invoice being sent to someone who is no longer involved with the playgroup. This is a common problem for community groups and sporting clubs, and one that is easily rectified. The solution is for the playgroup to set up a generic email address, rather than having accounts sent to an individual's private email. Community Development will assist the group to do so.

The new president of the Nedlands Playgroup is optimistic that it now has a group of committed people working on making the group more successful; and Community Development will meet with the group and offer support such as promoting them to the wider community through the City's outlets.

Societal Trends Impacting Parenting

Four decades ago, the median age of women giving birth in Australia was 25 years. Today, it is > 30 years. This means that today, young women are likely to become mothers after time in the workforce, having enjoyed the achievements and social interaction that accompany education and a career. This is likely to be particularly so in the City of Nedlands, with its relatively high social and economic characteristics. This can mean that parenting a young child can be suddenly isolating for a young

parent who is without access to the social interaction previously provided by work or study. Such isolation can have far-reaching health and well-being impacts on young parents and their children. While beyond the scope of this report, social research demonstrates that every dollar spent supporting infant and maternal health and well-being reduces future government expenditure by a factor of somewhere between four-fold and six-fold.

Key Relevant Previous Council Decisions:

- 27 February 2018 – CM01.18 – Council sets Fees & Charges for Playgroups and Toy Libraries for 4 financial years. Included Fees & Charges for Nedlands Playgroup.
- 27 October 2020 – CPS23.20 – Council adopted Hardship Policy in relation to the COVID-19 pandemic. This decision reduced 2019/20 Fees & Charges for various parties, including the Nedlands Playgroup.

Consultation

The request for Council to consider waiving or reducing the playgroup's building usage fees has come directly from the group. Community Development is consulting further with the group to find out more about the factors impacting on them; and to offer support with promoting their services to the wider community.

Community Development has also consulted with Playgroups WA, the peak body for playgroups. Chris Hawkes, Program Manager for Playgroups WA, will also work proactively with the Nedlands Playgroup to assist them to address viability issues. Chris provided the information an individual playgroup generally needed 30+ members to be viable.

Legislation

The *Local Government Act 1995 (WA)* requires that fees charged by a local government must be approved by Council.

Budget/Financial Implications

The last invoice paid by the group was for the 2018/19 financial year charges. The group currently still owes:

- \$2,547 for the 2019/20 financial year and
 - \$4,00 for the current financial year
- with the total amount owed being \$6,547.

The group has agreed to pay \$200 per month for the 6 months of this financial year. However, this would only pay back \$1,200 of the outstanding \$6,547, leaving \$5,347 remaining unpaid at the end of this financial year.

Can we afford it?

Whatever approach Council takes to the outstanding \$6,547 will not make a significant impact on the City's budget or rates.

Strategic Implications

How well does it fit with our strategic direction?

- Social Infrastructure Plan – this year, the City will develop a Social Infrastructure Plan. This plan will specifically look at the needs of community groups such as playgroups. Research supports the idea that groups catering to the needs of young children should be a priority in any Social Infrastructure Plan. Therefore it is likely that the Social Infrastructure Plan may recommend increased support for groups such as playgroups.
- Percentage Cost-recovery for Community Facilities – the City does not currently have a position on what percentage cost recovery it is aiming for, in relation to community buildings. In 2021, Administration will put a report to Council summarizing the percentage cost-recovery for community buildings, so Council can decide whether it is happy with that level of cost recover, or wishes to increase or decrease it.

However, neither of those two documents listed above yet exist. Therefore Council is making this decision on the playgroup's request without the benefit of those strategic documents. In the meantime, in the absence of those detailed reports, the following items of information may help provide a context for Council's decision on the playgroup's request:

- Percentage cost-recovery for providing for sport at the City of Nedlands is estimated at approximately 9%.
- Percentage cost recovery for buildings that are used by groups on management licenses is estimated at approximately 10%.
- Percentage cost recovery for the College Park Family Centre, which is the building used by the Nedlands Playgroup, is estimated at approximately 40%.
- Community groups that hire a Council facility pay \$28 per hour.
- The Nedlands Playgroup pays approximately \$11 per hour.

The Nedlands Playgroup uses the College Park Family Centre. The building is small and relatively cost-effective to maintain. The fees paid by the Nedlands Playgroup, while on par with the City's other playgroup, still represent a relatively high rate of cost-recovery when compared to sport, for example.

On the other hand, the Nedlands Playgroup pays a lower hourly rate than the hire fee paid by community groups using a Council facility by the hire.

In summary, the Nedlands Playgroup pays:

- less than the City's other community groups;
- about the same as the City's other playgroup;
- but more than the City's sporting clubs.

Who benefits?

Families of small children would be the immediate beneficiaries of any decision to waive or reduce the Nedlands Playgroup's fees.

Does it involve a tolerable risk?

While there is little financial risk in reducing the group's debt because the amount is relatively small, the main risk is one of equity. For example, the Mt Claremont Playgroup pays an approximately equivalent amount to that charged to the Nedlands Playgroup and may see a decision to reduce their fee as unfair.

Do we have the information we need?

While we have some of the information needed to make this decision (playgroup numbers, impact on playgroup), we do not yet have other information which will be available in the longer term (Social Infrastructure Plan, Report on Percentage Cost Recovery for All Council-provided Community Buildings).

Conclusion

Within the space of this report, it is difficult to paint a full and accurate picture of costs and charges in relation to the City's community buildings. The detailed work of collating and presenting that information has not yet been done, so estimates only have been provided in this report. However, the following principles can be extracted, to assist Council with this decision:

- Value of playgroups: playgroups provide a valuable community service that helps reduce social isolation for families and young children. Playgroups cater to families with very young children and therefore the foundational benefits can be long-term and profound.
- Comparative costs: the Nedlands Playgroup pays considerably less per hour than a community group pays for hall hire in the City of Nedlands; but pays a higher rate of cost recovery for their building than a sporting club does. So – playgroups pay less than other community groups, but more than sporting clubs.
- Self-determination of groups: where a community group or sporting club is struggling for survival, the City would generally not require immediate amalgamation with another similar groups. The City would generally respect the group's right to make that decision themselves, while allowing a period of time for the group to address underlying issues.
- Avoiding Unnecessary Financial Burden on Ratepayers: on the other hand, the City also has a responsibility to avoid unnecessary financial burden being

imposed on rate-payers, particularly those who do not directly benefit from the service that is being supported. For this reason, it is advisable that if Council decides to subsidise a service by waiving or reducing a fee, then a definite period of time for the group to address the issue should be given. A definite “grace period” avoids the expectation of on-going subsidy, which would unduly burden the general rate-payer.

With these principles in mind, it is recommended that Council accepts the goodwill shown by the Nedlands Playgroup in agreeing to pay \$200 per month for the rest of the financial year; and waives the remaining \$5,347 owed by the group.

This waiver should be provided on the condition that the Nedlands Playgroup resumes paying the standard fees and charges levied by Council for use of a community building, from 1 July 2021. These fees are yet to be determined, but will form part of the Fees & Charges determined by Council and advertised publicly, as part of the 2021/22 Council budget process.