

12.3 BRUNSWICK EARLY YEARS HUB - PROJECT UPDATE

Director Community, Eamonn Fennessy

Early Years and Youth

Pursuant to section 3(1)(a) of the Local Government Act 2020 this report has been designated as confidential because it relates to Council business information, being information that would prejudice the Council's position in commercial negotiations if prematurely released.

Officer Recommendation

That Council:

1. Notes the revised timeline for delivery of the Brunswick Early Years Hub to be operational in January 2028.
2. Accepts the State Government's offer of a \$4,704,545 contribution towards the cost of construction.
3. Refers the inclusion of the \$7.7 million Council contribution to the project over 2025/26, 2026/27 and 2027/28 to the four year budget process, with adjustments to be finalised as part of the consideration of the final four year budget in June 2025.
4. Confirms the intention to sell the existing Council-owned early years facilities that will be incorporated into the new hub: Tinning Street Children's Centre and Victoria Street Maternal and Child Health Centre.
5. Makes this resolution and Council report public, once the State Government has formally endorsed the contribution and timing of the project.

REPORT

Executive Summary

The Brunswick Early Years Hub is a critical infrastructure project designed to address a projected shortfall in kindergarten places within Brunswick including Brunswick East, Brunswick South and Brunswick West in the coming years. Initiated as an outcome of the 2020 Kindergarten Infrastructure and Services Plan the project has progressed significantly through site selection, architectural design, environmental auditing and community consultation. To be located at 346 Albert Street, Brunswick, the hub will consolidate and expand Council's early years' service capacity, delivering 88 licensed kindergarten places (including 69 new places), three Maternal and Child Health consulting rooms and a multi-purpose community space.

Council allocated \$7.82 million towards the project in the 2024/25 and 2025/26 financial years, supported by an estimated \$3.7 million Building Blocks Partnership grant from the State Government. It was planned that the hub would be completed and ready to open in early 2027. However, in mid-2024, the State Government informed Council that revised population forecasting data indicated that the anticipated peak in demand for additional kindergarten places may not occur until 2030–2032 and as a consequence that the planned delivery date for the project would be rescheduled until at least 2030 and possibly as late as 2032.

In response, Council engaged in dialogue with the State Government over the key drivers for the project including the need to renew existing facilities, the extent of preparatory works completed which included detailed design of the new facility. Further analysis of the population data was also undertaken and subsequently it has been agreed with the State Government to revise the timelines to have the hub ready to commence operations in January 2028. The State Government has indicated the project is now eligible to receive grant funding of \$4,704,545 subject to ministerial approval. The Brunswick Early Years Hub is currently costed at \$11.52 million. With the confirmed one-year delay to the original timeline the project may be subject to some cost escalation due to inflation and construction market conditions.

Due to the uncertainty around the delivery date of the project it was removed from the 2025/26 draft budget and the funds re-allocated to other priorities. With a new delivery timeline confirmed, subject to final ministerial approval, reinstating the \$7.82 million into the capital works budget is now required.

This report includes details of adjustments that can be made to delivery dates for other projects in the capital works program and also notes that the financing strategy includes the proposed sale of two existing Council owned early years facilities that will be incorporated into the new hub.

Previous Council Decisions

Brunswick Early Years Hub - Project Update – 8 November 2023

That Council:

1. *Notes the key project milestones which have been achieved to progress the development of the Brunswick Early Years Hub.*
2. *Notes the progress of an Environmental Audit to identify and mitigate site contamination risks which is due for completion in March 2024.*

Proposed Brunswick Early Years Hub – 12 April 2023

That Council:

1. *Notes the key steps undertaken in assessing the feasibility to develop a new purpose-built Early Years Hub on Council owned land situated at 346 Albert Street, Brunswick.*
2. *Authorises the Chief Executive Officer or Delegate to:*
 - a) *Enter a Memorandum of Understanding with Moreland Community Child Care Centres, outlining roles, responsibilities, and shared commitments in relation to the project.*
 - b) *Make application to the Victorian School Building Authority, Department of Education for funding towards the cost of the project, to be lodged by 30 June 2023.*
3. *Endorses the concept plan at Attachment 1 and release for community and stakeholder consultation.*
4. *Receives a further Report in July 2023 highlighting community feedback and proposed project timelines.*

1. Policy Context

In 2018 the Victorian State Government commenced implementation of a 10-year Early Childhood Reform Plan with a strong focus on subsidised kindergarten, significant capital infrastructure investment and more equitable, innovative and inclusive early childhood services, supports and facilities. Since then, the Government has announced further expansion and substantial investment in kindergarten programs including the introduction of funded 3-year-old programs (15 hours per week) from 2022 to 2029; and in 2022 that the Best Start, Best Life initiative would be expanded, with three major new elements to be implemented over the next decade, at a cost of \$9 billion:

- Making kindergarten free across the state;
- A new year of universal Pre-Prep for 4-year-olds comprising 30 hours per week, a doubling of the current 15 hours provided (to be rolled out over the next decade); and
- Establishing 50 government owned and operated childcare centres in areas of high need, one of which will be co-located with Moomba Park Primary School in Fawkner and a further centre to be established in Glenroy.

To align and maximise the opportunity to expand and improve services Council has partnered with the State Government to develop the Kindergarten Infrastructure and Services Plan (KISP) and entered into a Building Blocks Partnership Agreement Building Blocks Partnership (BBP) funding agreement and Memorandum of Understanding in 2022 which commits the State Government to co-contributions of \$10.7m funding towards 11 new and expanded kindergartens across the municipality over the coming years. In addition, the following have been adopted by Council:

- Merri-bek Children, Young People and Families Plan 2021-2025;
- Merri-bek Community Infrastructure Plan 2022; and
- Merri-bek Early Years Infrastructure Plan 2022-2030.

Together, the State Government and Council policy settings outlined above lay the strategic foundations to enable co-investment in a program of kindergarten and early years infrastructure projects, including the Brunswick Early Years Hub.

2. Background

In July 2022, the Victorian School Building Authority (VSBA) invited Council to apply for enhanced funding support through the Building Blocks Partnership program for a new Early Years Hub in Brunswick. Council subsequently undertook a site analysis of Council-owned land and identified 346 Albert Street, Brunswick as the preferred site for the proposed hub.

To support the project, Council allocated \$7.82 million in the 2024–2026 capital works budgets, supplemented by an expected \$3.7 million Building Blocks Partnership grant from the State Government.

Following a tender process (RFT 2023-534), AOA Christopher Peck was appointed in April 2024 to provide architectural and primary consultancy services. A design working group, comprising Council officers and Moreland Community Child Care Centres (MCCCC), developed a concept design, which was presented to Council in April 2023.

Community engagement occurred over two formal consultation periods, with strong support and feedback highlighting the importance of integrating the design with adjacent parklands.

Given the site's proximity to the former Gilpin Park landfill, a detailed site investigation and environmental audit was undertaken by Western Environmental and Australian Environmental Auditors. The audit was completed in June 2024, with a final addendum to follow post-demolition of the existing timber structure currently on site to enable soil analysis underneath the building.

Although the project delivery date had been extended by the State Government it was decided to complete the detailed design stage and this was finalised in January 2025, ensuring future project readiness.

3. Issues

Forecast Demand Changes

In 2020, Council and the State Government jointly developed the Kindergarten Infrastructure and Services Plan (KISP), which projected a shortfall of 313 kindergarten places in Brunswick and Brunswick East by 2029 and was a key driver for the Brunswick Early Years Hub project. The forecast shortfall of kindergarten places also now extends to Brunswick South and Brunswick West.

In mid-2024, updated State Government forecasts indicated demand would now likely peak between 2030 and 2032. As a result, State support for the original Term 1, 2027 completion timeline was paused.

Delivery Timeline Advocacy

In response to the revised forecasts and project delay, Council advocated for an adjusted timeline prior to 2030/32. Council received advice from the State Government on 30th April 2025 of their agreement to a revised project completion date, with the hub being operational from January 2028, pending final ministerial approval.

Capital Budget Reinstatement

Due to uncertainty created by the delay, Council's capital allocation across the 2024–2026 capital works budget was reallocated to other projects. Following confirmation of the revised delivery timeline, reinstating up to \$7.7 million in Council's capital works program is now required—alongside the State's contribution which has been increased to \$4,704,545.

Community impact – Brunswick Early Years Hub

The Brunswick Early Years Hub will be a custom designed contemporary facility that will consolidate, integrate, and expand early years' service capability and provide premium learning and care environments for Merri-bek families. The hub project involves the relocation of: Tinning Street Childcare Centre, 77 Tinning Street, Brunswick; owned by Council and operated by Moreland Community Child Care Centre Inc, (MCCCC); and Council's Maternal Child Health Centre, 482 Victoria Street, Brunswick West. In total, the hub will provide 88 licensed places, 69 of which will be new places and 19 that will be moved from Tinning Street Childcare Centre, along with three maternal child health consult room, long day care places, nursery places and community space in a modern contemporary building fit for purpose.

Climate emergency and environmental sustainability implications

The new hub will incorporate the most suitable environmentally sustainable design measures in line with Council's exiting policy. A significant feature currently proposed is the potential to capture rainwater from the Hub to be utilised at Gilpin Park.

Legal and risk considerations

A Detailed Site Investigation and Environmental Audit is ongoing for the proposed site at 346 Albert Street. While the majority of the environmental audit has been completed and approved, there remains a minor risk of discovering soil contamination under the existing structures after removal, which may necessitate additional remediation.

Human Rights Consideration

The implications of this report have been assessed in accordance with the requirements of the Charter of Human Rights and Responsibilities and aligns with Council's Human Rights Policy. The provision of early years infrastructure aligns with the aspirations of the Convention on the Rights of the Child, which forms part of the Universal Declaration of Human Rights, particularly in relation to children's rights to education and health care and supports children to reach their full potential in life.

4. Community consultation and engagement

Council undertook a two-stage community engagement process to inform the development of the Brunswick Early Years Hub. The first stage involved targeted consultation with families, staff, and operators at Tinning Street and Mitchell Street early years centres. Feedback focused on facility needs, design priorities, and aspirations for a welcoming, integrated space.

The second stage was delivered via Council's Conversations Merri-bek platform between 18 September and 13 October 2023, inviting broader community input on the draft design. Key themes included strong support for improved early years infrastructure, the importance of environmentally sustainable design, and the need for seamless integration with Gilpin Park and surrounding open spaces.

Feedback received was incorporated into the detailed design, with particular emphasis on natural light, connection to outdoor play spaces, and accessibility.

Affected persons rights and interests

The interests of children and families are the primary focus of this proposal. As outlined, the hub when completed will deliver multiple benefits for children, young people and families.

5. Officer Declaration of Conflict of Interest

Council officers involved in the preparation of this report have no conflict of interest in this matter.

6. Financial and Resources Implications

The proposed budget was endorsed by Council on 16th April 2025 for public exhibition, ahead of adoption at a Special Council meeting on 23rd June. Due to the uncertainty of the grant funding and timing of the project, a decision was made to not include the Brunswick Early Years Hub in the 5-year capital works program, creating a funding gap of approximately \$7.7m (depending on extent of cost escalations) over the next 5-years in order to deliver the project.

Following confirmation of the grant funding on 30 April 2025 options have been identified for funding the hub to meet the proposed opening date of January 2028. The proposed funding strategy will include a combination of the following with additional detail shown in the table below:

- Reviewing current budget assumptions in light of any new information that may result in additional income and/or reduced expenditure;
- Delaying some project/s from years 1 – 5 to year 6 onwards; and
- Selling the existing sites (Tinning Street Children's Centre and Victoria Street MCH) on the competitive market once the hub is complete. The current asset valuation for these properties totals \$ 3,506,407

	FY26	FY27	FY28	FY29	FY30	Overall impact
Significant projects reserve					1,000,000	1,000,000
Supplementary rates	250,000	250,000	250,000	250,000	250,000	1,250,000
Interest on rates	250,000	50,000	-	-	-	300,000
Senior Citizen Centres	-	-	-	200,000	1,200,000	1,400,000
Coburg Town Hall	100,000	700,000	1,700,000	(100,000)	(700,000)	1,700,000
Community Venues Signage	-	-	-	35,000	90,000	125,000
Total	750,000	3,350,000	1,950,000	385,000	1,840,000	5,775,000

7. Implementation

The next stages of the project are: demolition works of existing building on site, finalise the Detailed Site Investigation – Environmental Audit; complete statutory planning and tender construction documentation; proceed to construction tender.

Attachment/s

There are no attachments for this report.