

**4.1 INSURANCE UPDATE - Childcare Centre Hail Remediation Update MEMBERS ONLY – CONFIDENTIAL AND PRIVILEGED**

**PURPOSE** To update the Committee on the current challenges and possible outcomes for the Hail Remediation works for the four Childcare Centres.

**PREPARED BY** Associate Director, Commercial and Capital Finance  
Senior Manager, Commercial and Capital Finance  
Director, Facilities and Services Division

**REVIEWED BY** Chief Financial Officer

**APPROVED BY** Chief Operating Officer

**SPONSOR** Chief Operating Officer

**RECOMMENDATION** That the Committee **note** the update on the current challenges with the remediation of the four Childcare Centres.

**ACTION REQUIRED**

For discussion  For decision  For information

**CONSULTATION**

Staff  Students  Alumni  Government  Other  Not applicable

**COUNCIL COMMITTEE / ACADEMIC BOARD CONSIDERATION**

Finance  Audit & Risk Management  Campus Planning  Remuneration  
 Major Projects  Honorary Degrees  Nominations  Academic Board

**Background**

The University currently has five on-campus childcare centre: four not-for-profit childcare centres operated by community-based operators located within ANU Heritage listed buildings (Heritage Childcare Centres), within the Acton Conservation Precinct, whilst the other is a commercial centre (Goodstart Early Learning).

At the last meeting held in November 2023, the Committee was presented with a paper that highlighted the conflicts that existed between achieving building compliance (National Construction Code) and regulatory compliance (Heritage compliance under the EPBC Act) due to the extensive nature of the remediation works required to heritage buildings. The paper further highlighted several complications the University needed to consider when deciding on the future of childcare operations and provided further background regarding insurable coverage scenarios, lease arrangements with the four Heritage Childcare Centres and a planning summary on future construction of childcare centre operators on campus.

**Legal Advice**

### Temporary Closure of University Pre-school and Childcare Centre (UPCCC)

During the University's year-end break, the Facilities and Services Division (F&S) carried out routine maintenance work, which included painting, at the four Heritage Childcare Centres. As part of this work F&S also conducted atmospheric testing at the centres. There was no cause for concern at Heritage, Acton Early Childcare Centre and Cubby House and these centres opened as planned at the start of the year.

However, at the UPCCC the test detected traces of lead in Building F, whilst no traces of lead were detected at Building E. As a result, the reopening of UPCCC was delayed allowing for the affected carpet and underlay throughout the entire centre, together with other soft items, to be removed. This was followed by a thorough environmental clean of the entire centre and further testing to ensure no contamination remained.

On 18 January 2024, the Chief Operating Officer provided an update to the families that utilise the four Heritage Childcare Facilities, regarding the remediation works conducted at UPCCC to ensure no lead contamination remains.

The centre was reopened on 22 January 2024.

### Childcare Options

The recent detection of lead contamination at the UPCCC and the presence of other hazardous materials at the four Heritage Childcare Centres has caused the University to initiate an internal assessment of its on-campus childcare options.

An assessment table (Attachment C) provides an initial assessment of the University's childcare options to facilitate discussion with Council committees. These include the following plus some with additional sub options:

- a) Remediation of heritage buildings;
- b) Constructing additional demountable structures;
- c) Constructing new childcare facilities;
- d) Utilising the existing demountable structure, whilst constructing a new childcare facility; and
- e) Providing no on-campus childcare facilities.

. The table includes the following for each option:

- References to interlinking with other options;
- Estimated financial implication;
- Finance provider;
- Estimated timing for complete implementation (this includes, where relevant, negotiations, procurements processes, obtaining finance, regulatory and internal approval processes);
- Opportunities; and
- Risks.

An initial assessment has been performed based on the suitability and likelihood of each option. Individual ratings, of between one and five, were assigned for the suitability, to the University, and likelihood of successfully executing each option.

The table provides an initial feasibility assessment to facilitate discussion and there are several aspects for various of the options that require further assessment and clarification.

**Recommendations**

The recommendation is for the Committee to **note** the following:

- 1) The insurance and construction legal advice obtained from Minters;
- 2) The closure of UPCCC due to the detection of lead contamination and the subsequent remediation works conducted; and
- 3) The University's childcare facility options identified, the initial assessment of these options and to discuss the options presented.

**ATTACHMENTS**

s22

s42

s47C

**COMMUNICATION**

For public release

For internal release

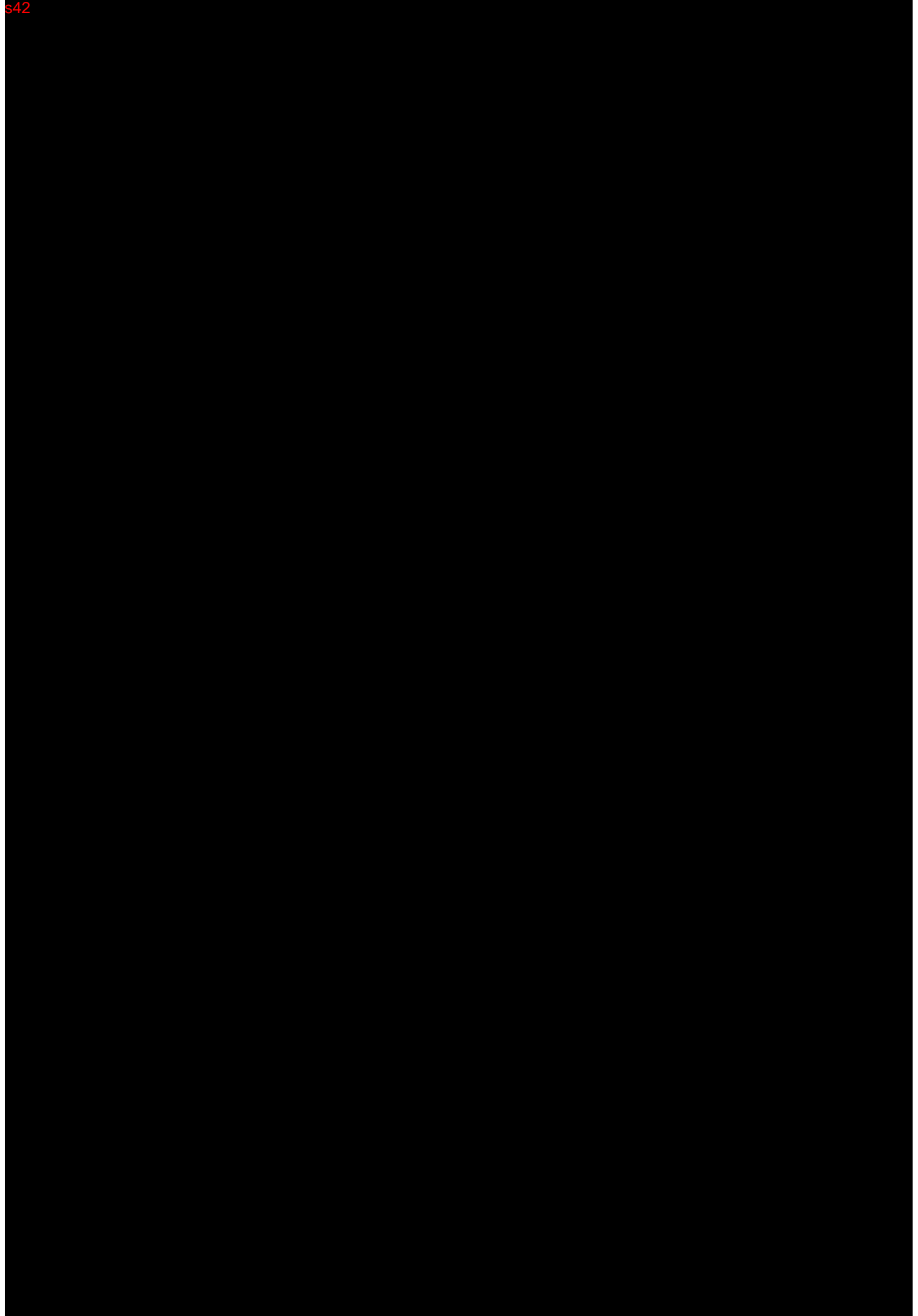
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Confidentialial & Privileged





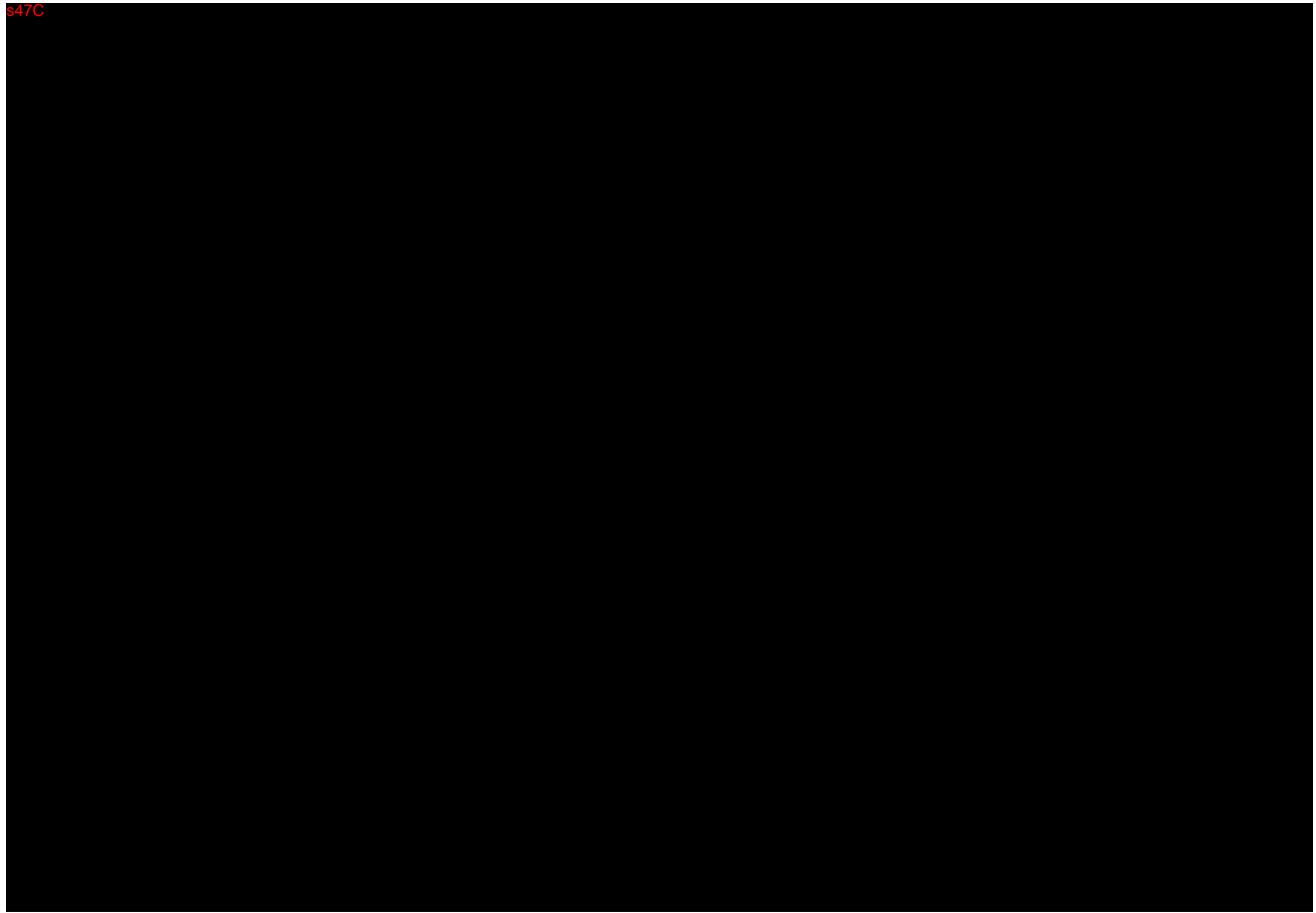




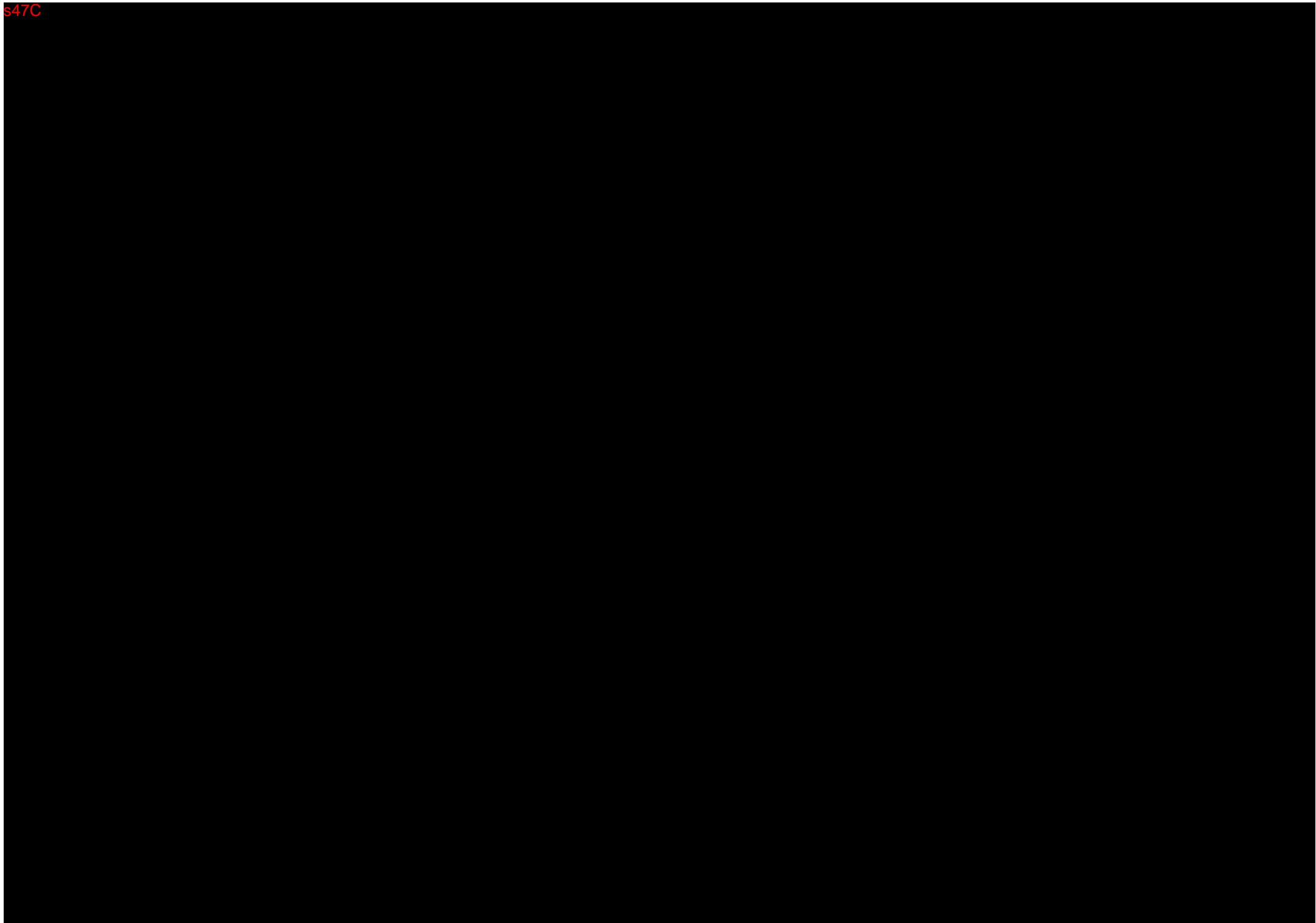
















**Extract from CPC Minutes – Meeting 1/2024 (20 February 2024)**

The Chair thanked <sup>§22</sup> [REDACTED] and the F&S team for the work they have done in setting out the options available and noted that, in summary, the Committee view is that the best long-term option is to continue to utilise the current demountable building and to pursue the option of building a new purpose-built facility (Options 2c and 3c as outlined in the options paper).

**Extract from CPC – Executive Summary of 20 February 2024 meeting (as provided to April Council)**

**2.2 HAIL REMEDIATION – CHILDCARE CENTRES UPDATE**

**Resolved:** The Committee **noted** the update on the current challenges with the remediation of the four Childcare Centres

**Extract from Item 2.1 CHILDCARE CENTRE UPDATE – PRELIMINARY DESIGN AND OPTIONS ANALYSIS as considered at CPC Meeting 2/2024 (14 May 2024)**

**REQUIRED ACTIVITIES**

With current leases of the four Heritage Childcare Centre lapsing on 31 January 2025, along with the University preference to expedite delivery of a new facility (completion December 2024), a number of activities need to occur and occur at speed.

The below table represents a high-level responsibility matrix of those key tasks, along with target completion dates:

<b>Task</b>	<b>Action</b>	<b>Responsible</b>	<b>Completion Date</b>
Funding and procurement approval	Development of a detailed business case to outline funding and associated project requirements to support the construction of the new facility	Facilities and Services Chief Financial Officer Vice-Chancellor – Authorised delegate	28-04-2024
CPC endorsement	Present options analysis and preliminary designs for the future location of the new childcare facility,	Facilities and Services CPC	14-05-2024

<b>Task</b>	<b>Action</b>	<b>Responsible</b>	<b>Completion Date</b>
	including high level schematic designs		
Communication with existing providers	Individual meetings with existing individual childcare operators, outlining the University decision on the future location of childcare, including the reasoning, timeframes and future commercial opportunities	Chief Operating Officer	11-05-2024
Development of a childcare policy	Policy describing the University stance on the provision of childcare	Chief Operating Officer	31-05-2024
Commercial agreements for future childcare providers	Prepare documentation for market approach, evaluate business model submissions, execute formal agreements	Finance and Business Services (Commercial and Capital Finance) Facilities and Services	1-12-2024
Construction of the new childcare facility	Design, execution, regulatory approvals and certification of the new childcare facility	Facilities and Services	21-12-2024
Hail remediation works of existing childcare facilities	Final scoping of works, insurance negotiation on claims, complete remediation works	Facilities and Services Finance and Business Services (Commercial and Capital Finance)	01-09-2025



***Extract from Draft CPC Minutes – Meeting 2/2024 (14 May 2024)***

There is a need to move at speed to complete the build by December 2024. This timeline aligns with the expiration of the existing providers' leases and transition to the new facilities in January 2025.

The use of temporary facilities will ensure the safety of children and staff in the childcare centres while longer term planning and discussion occurs on how childcare can be integrated into the campus as outlined in the Kambri Plan.

Funding for the temporary facilities was confirmed as being via the Hail Remediation project (existing temporary facility) and the University with a supporting business case now approved by the Vice-Chancellor (new temporary facility).

**Childcare Centre Hail Remediation Update**  
**CONFIDENTIAL – FOR MEMBERS ONLY**

<b>PURPOSE</b>	To update the Committee on the current challenges and possible outcomes for the Hail Remediation works for the four Childcare Centres.
<b>PREPARED BY</b>	Director, Commercial Management & Procurement Senior Manager, Commercial and Capital Finance Director, Facilities and Services Division
<b>REVIEWED BY</b>	Chief Financial Officer
<b>APPROVED BY</b>	Chief Operating Officer
<b>SPONSOR</b>	Chief Operating Officer

<b>RECOMMENDATION</b>	That the Committee <b>note</b> the following: <ol style="list-style-type: none"> <li>1) The initial strategic advice received from s22 regarding the University's childcare options; and</li> <li>2) The University's provisional strategy to relocate childcare services from the existing buildings.</li> </ol>
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**ACTION REQUIRED**

For discussion  For decision  For information

**CONSULTATION**

Staff  Students  Alumni  Government  Other  Not applicable

**COUNCIL COMMITTEE / ACADEMIC BOARD CONSIDERATION**

Finance  Audit & Risk Management  Campus Planning  Remuneration  
 Student Safety & Wellbeing  Honorary Degrees  Nominations  Academic Board

**Background**

The University currently has five on-campus childcare centres: four not-for-profit childcare centres operated by community-based operators located within ANU Heritage listed buildings (Heritage Childcare Centres), within the Acton Conservation Precinct, whilst the other is a commercial centre (Goodstart Early Learning).

At the last meeting held on 31 January 2024 and 2 February 2024 respectively, the ARMC and FC were presented with a paper that included the following:

s42

- b) Subsequent construction advice received from s22 construction partner;
- c) An update on the temporary closure of University Pre-school and Childcare Centre (UPCCC); and
- d) A table outlining the childcare options available to the University, which incorporated the risks, opportunities, estimated timing for complete implementation and estimated financial implication.

The Committee noted the insurance legal advice, construction advice, update on the temporary closure of UPCCC and childcare option available to the University. It was advised to the Committee that the

University will engage with s22 [REDACTED] to seek commercial and strategic advice in relation to the childcare options available to the University.

An additional request from the Committees was to establish a childcare policy. At this stage, this is in-progress.

s47C [REDACTED]

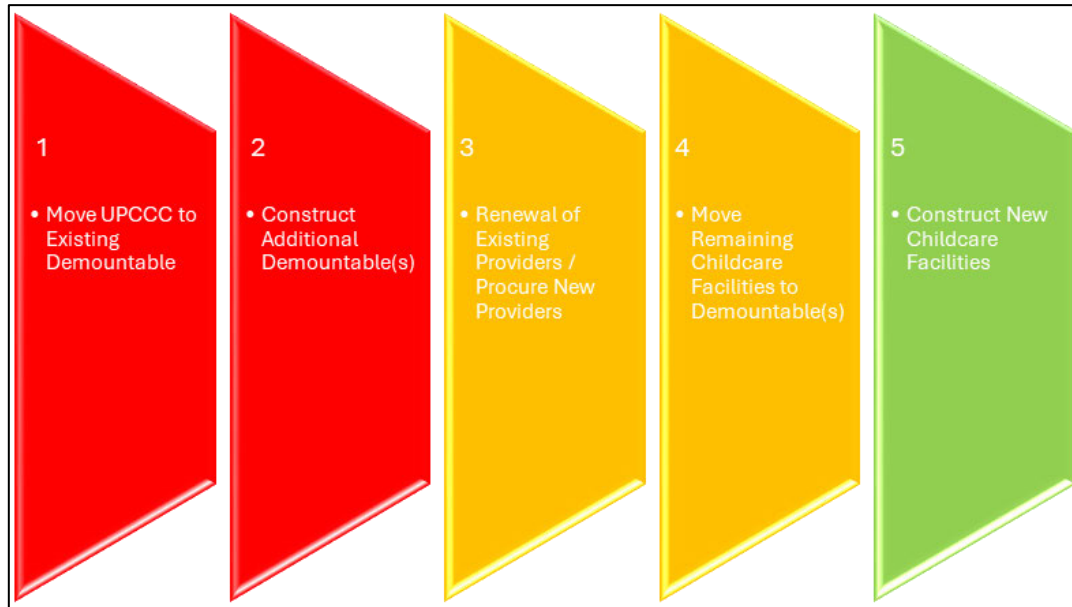
### **Provisional Strategy – Relocation of childcare services**

At the Campus Planning Committee (CPC) held on 20 February 2024, the CPC supported a preference for the relocation of the University childcare services from the four Heritage Childcare Centres. Furthermore, CPC concurred to the University's long-term strategy to construct new purpose-built facilities, but that the relocation, albeit short to medium term, from the existing buildings must be expedited.

The University has prepared a construction timeline (**Attachment B**) to compare the completion lead times for remediating the existing facilities, constructing additional demountable facilities, and constructing new purpose-built childcare facilities. It is evident from the timeline that constructing additional demountable facilities would incur the shortest construction lead time.

The University has prepared a provisional childcare strategy, to relocate childcare services from the four Heritage Childcare Centres, which has been illustrated in the diagram 1 below.

**Diagram 1 – ANU Provisional Childcare Strategy**



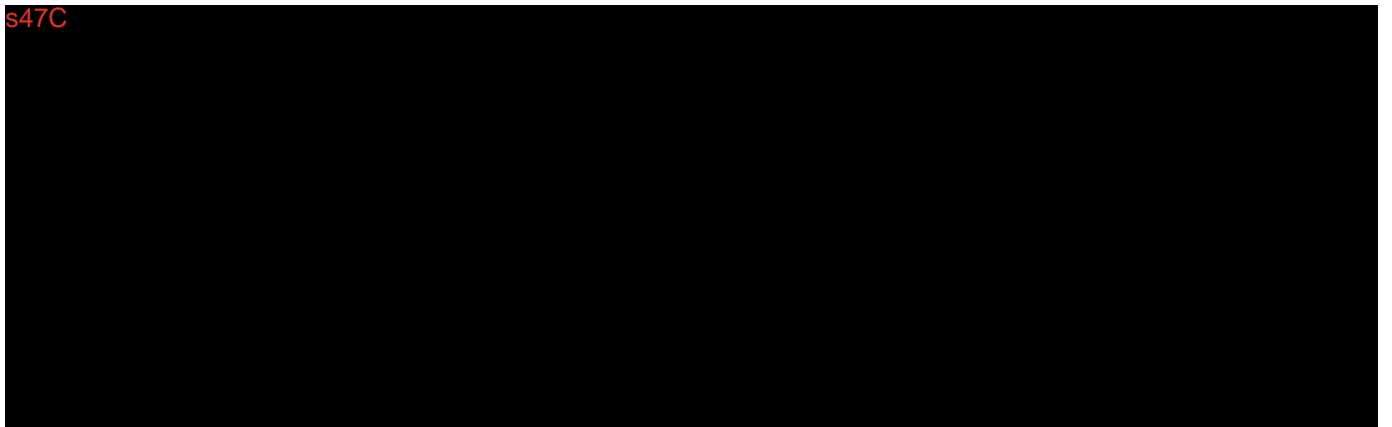
**Short-Term**

**Medium-Term**

**Long-Term**

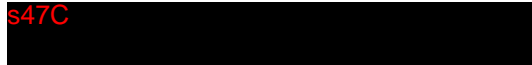
Although the provisional childcare strategy has not yet considered the insurance options and potential commercial arrangements available to the University, or the alternative use of the existing buildings, it provides a clear path to achieve its objective of relocating the childcare services from the existing facilities.

s47C



**ATTACHMENTS**

s47C



2.11(b) - Attachment B – Construction Timelines

**COMMUNICATION**

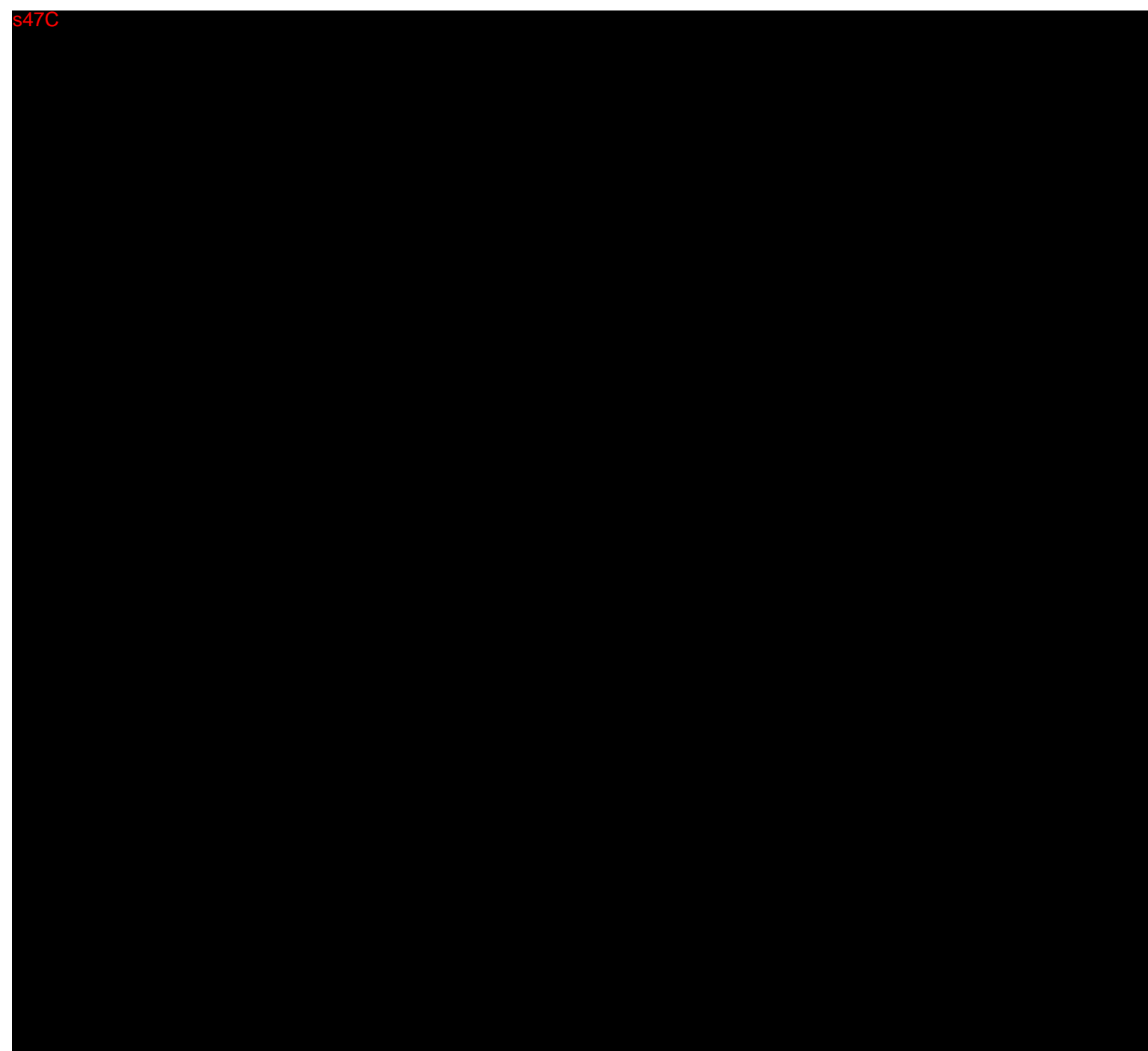
For public release

For internal release

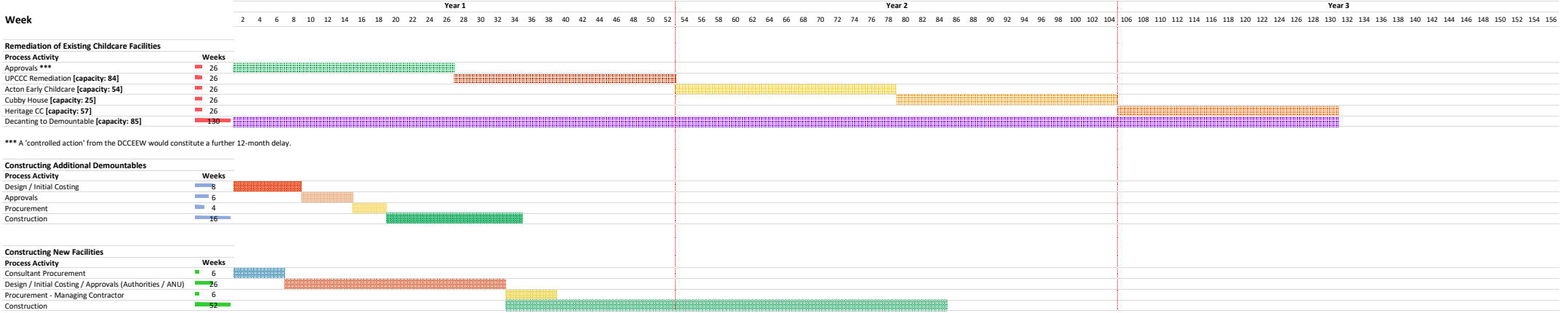
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**Childcare Centres  
Construction Timelines**





Minute Extract – ARMC Meeting March 2024

~~"~~  
~~\*2.11 – INSURANCE UPDATE HAIL REMEDIATION¶~~

~~The item was discussed in the members only session before the official meeting. ¶~~

~~¶~~

~~Resolved:¶~~

~~The Committee noted the Hail Remediation Update including the external advice and the recommended option and path being pursued. ¶~~

*Extract from FC Minutes – Meeting 2/2024 (22 March 2024)*

**\*2.12 – CHILDCARE CENTRE HAIL REMEDIATION UPDATE**

In discussion, the Committee noted that:

- ARMC noted its consensus to support the reallocation of childcare services from existing buildings to the adjacent demountable facilities as a matter of urgency, to mitigate any potential risk for the children in care.
- The University will consider reallocating staff in other properties off-campus to the childcare facilities.
- The VC will provide an update to Council on next steps at its meeting in April.

**Resolved:**

The Committee noted the following:

- 1) The initial strategic advice received from s22 regarding the University's childcare options; and
- 2) The University's provisional strategy to relocate childcare services from the existing buildings.

*Extract from FC Minutes – Meeting 3/2024 (7 May 2024)*

**\*2.9 – CHILDCARE CENTRE HAIL REMEDIATION UPDATE**

s22 joined the meeting for this item. s22 reported that:

- Following the previous FC meeting in March 2024, the University has reengaged with s42
- Recent engagement with the Children's Education and Care Assurance (CECA) revealed that it would be cleaner to wait until January 2025 in relation to the relocation of University Preschool and Childcare Centre (UPCCC).

**Resolved:**

The Committee noted the following:

- 1) s42
- 2) The childcare remediation timeline prepared by the University;
- 3) The status of temporary childcare facility business case for consideration by the VC and COO;
- 4) The childcare centre update and recommendation to be presented to the CPC;
- 5) The update on the relocation of UPCCC to the existing demountable facility; and
- 6) The update on the impending engagement with the existing childcare service providers.

**\*2.9 CHILD CARE CENTRE HAIL REMEDIATION UPDATE**

<b>PURPOSE</b>	To update the Committee on the Hail Remediation works for the four Childcare Centres.
<b>PREPARED BY</b>	Director, Commercial Management & Procurement Senior Manager, Commercial and Capital Finance Director, Facilities and Services Division
<b>REVIEWED BY</b>	Chief Financial Officer
<b>APPROVED BY</b>	Acting Chief Operating Officer
<b>SPONSOR</b>	Acting Chief Operating Officer

<b>RECOMMENDATION</b>	That the Committee <b>note</b> the following:
	<ol style="list-style-type: none"> <li>1) <span style="color: red;">s42</span> [REDACTED]</li> <li>2) The childcare remediation timeline prepared by the University;</li> <li>3) The status of temporary childcare facility business case for consideration by the VC and COO;</li> <li>4) The childcare centre update and recommendation to be presented to the CPC;</li> <li>5) The update on the relocation of UPCCC to the existing demountable facility; and</li> <li>6) The update on the impending engagement with the existing childcare service providers.</li> </ol>

**ACTION REQUIRED**

For discussion  For decision  For information

**CONSULTATION**

Staff  Students  Alumni  Government  Other  Not applicable

**COUNCIL COMMITTEE / ACADEMIC BOARD CONSIDERATION**

Finance                       Audit & Risk Management     Campus Planning     Remuneration  
 Student Safety & Wellbeing     Honorary Degrees             Nominations             Academic Board

**Background**

The University currently has five on-campus childcare centres: four not-for-profit childcare centres operated by community-based operators located within ANU Heritage listed buildings (Heritage Childcare Centres), in the Acton Conservation Precinct; whilst the other is a commercial centre (Goodstart Early Learning).

At the last meeting held in March 2024, the ARMC and FC were presented with a paper that included the following:

- a) Initial strategic advice received from s22 [REDACTED] that highlighted the key considerations in assessing the remediation of the existing Heritage Childcare Centres compared to other options available to the University;
- b) The University's provisional childcare strategy to relocate childcare services from the four Heritage Childcare Centres; and

- c) A status update regarding the establishment of a childcare policy.

The Committee noted s22 initial strategic advice, the University's provisional childcare strategy and the status update on the establishment of a childcare policy. The Committee recommended that University Preschool and Childcare Centre (UPCCC) be relocated to the existing demountable facility.

s42



### Childcare Remediation Timeline

Following from the last meeting, the University through its Commercial and Capital Finance team (C&CF), in collaboration with the Director, Facilities and Services (DF&S), prepared a preliminary timeline (**Attachment 2.9 (a)**) for the implementation of the University's childcare strategy.

The childcare strategy will be a multi-faceted project which includes the following sub-facets:

- Childcare policy and strategy;
- Planning and engagement;
- Design and construction of the additional demountable;
- Childcare service provider procurement;
- Repurposing of existing buildings; and
- Hail remediation insurance claim.

It is evident from Attachment 2.9 (a) that there are multiple aspects, within each sub-facet, that will require meticulous consideration and implementation. On that basis, C&CF and the DF&S will co-design the implementation of the project.

### Temporary Childcare Facility Business Case

Since the last meeting, the University has conducted a preliminary costing and programming exercise from which a detailed business case has been developed.

47E(d)



### **Campus Planning Committee – Childcare Centre Update**

Since the last meeting, the University has concluded the site modelling of various locations for constructing the additional demountable facility.

On 14 May 2024, the University's Campus Planning Committee (CPC) will be presented with a paper that includes the following:

- An update on the Heritage Childcare Centres;
- A high-level responsibility matrix of the key project tasks, along with the timelines for constructing the additional demountable facility; and
- A recommendation of the most suitable location for the additional demountable facility, based on an options paper prepared by F&S, in conjunction with Construction Control and AMC Architecture.

### **Relocation of University Preschool and Childcare Centre (UPCCC)**

At the last meeting, the Committee recommended that the University, as envisaged in its provisional childcare strategy, utilise the existing demountable facility to relocate UPCCC as soon as possible from its existing facility.

The University engaged CECA to obtain an immediate certification for the existing demountable facility, given the University's intention to utilise the facility for a much longer term. CECA advised that due to the University's intention, to utilise the facility for a longer term, the outdoor areas would have to be expanded. The University has engaged architects to assess options to expand the outdoor areas and once this has been finalised, it will re-engage CECA to gain its support. This process is likely to take up to six months to complete.

The leases with the existing childcare service providers will expire on 31 January 2025 and given that the existing demountable would only be available towards the end of 2024, it would not be practical to relocate UPCCC for a short term. The relocation of UPCCC, to the existing demountable facility, will also result in it being unable to provide childcare care service, whilst relocating, which will severely impact the parents and children.

On the basis of the above, it is proposed therefore that the relocation of UPCCC to the existing demountable facility should not be progressed.

### **Engagement with Existing Childcare Service Providers**

During May 2024, the Chief Operating Officer will engage with childcare service providers to inform them of the University's intent to permanently relocate childcare services from the existing facilities.

This will likely cause some tension from the providers and the University will encourage them to participate in the procurement process for the provision of on-campus Childcare in 2025 and beyond.

**ATTACHMENTS**

2.9 (a) Childcare Remediation Timeline

**COMMUNICATION**

For public release

For internal release

Not for release



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¶**\*2.6--HAIL-REMEDIAION-UPDATE--CHILDCARE-CENTRES-(MEMBERS-ONLY)\***¶

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The Chief Operating Officer, **s22** the Chief Financial Officer, **s22** the  
Director, Commercial Management and Procurement, **s22** and the Director, Facilities and  
Services, **s22** spoke to the paper, highlighting the following key points:¶

- ¶ → The University will need to continue to mitigate the risk of childcare facilities operating from within their existing premises for the remainder of 2024.¶
- ¶ → Current leases for providers end in January and the University is planning to have facilities ready and a competitive tender process completed before then.¶
- ¶ → Work continues with the relevant regulator (CECA) to determine suitable locations for a future childcare facility.¶

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**s47E(d)**  
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**Resolved:**¶

The Committee noted:¶

1. → **s42**
  2. → The childcare remediation timeline prepared by the [University](#).¶
  3. → The status of temporary childcare facility business case for consideration by the VC and [COO](#).¶
  4. → The childcare centre update and recommendation to be presented to the [CPC](#).¶
  4. → The update on the relocation of UPCCC to the existing demountable facility; and¶
  5. → The update on the impending engagement with the existing childcare service providers.¶
- ¶