

# Childcare warning as more single parents go to work [NZ] <sup>[1]</sup>

The New Zealand Herald

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## AVAILABILITY

See text below.

## EXCERPTS

The Salvation Army says welfare benefit reform has succeeded in enticing solo parents into paid work - but warns that it may be at the expense of their children.

A "state of the nation" report, issued by the army's social policy unit yesterday, says the number of sole parents in paid work has jumped from 48.4 per cent just before the "Working for Families" reforms started in October 2004 to 60.6 per cent at the end of last year.

But the number of early childhood education places in poor suburbs where many sole parents live remains barely half the national average.

The social policy unit's director, Major Campbell Roberts, said New Zealanders needed to rethink their priorities.

"When you are trying to put more and more people back into work, and employment is going well, the real question has to be: what's happening to some of those kids?" he said.

"If they are not going to early childhood education, and their parents are going to work, what is actually happening to the kids? Who is looking after them?"

The report's author, former Manukau City councillor Alan Johnson, said the Working for Families reforms appeared to have had opposite effects for sole parents and couples.

Sole parents seemed to have been enticed into work by the new in-work payment of \$60 a week for sole parents who work at least 20 hours a week (and for couples working at least 30 hours between them).

Higher subsidies for childcare, which came into force from October 2004, also seem to have had an effect.

But some secondary earners in couples - usually women - appear to have been discouraged from working because the higher family support has raised effective marginal tax rates for high-income couples who previously did not get any family assistance.

The number of couples with two dependent children where both parents are in paid work has dropped from 67.9 per cent in 2004 to 64.5 per cent at the end of last year.

"Working for Families has a double incentive effect. It pushes single parents out to work, and means that two-parent families have more of an ability to trade off work for time at home," Mr Johnson said.

"So it achieves better work/life balance for some and possibly worse work/life balance for others."

Although total early childhood education places grew by 16 per cent in the decade to 2006, the report notes that the growth was solely in for-profit childcare, including big companies such as Kidicorp and Australian-owned ABC Learning Centres.

Places in non-profit centres, which might be more affordable, dropped by 5 per cent in kindergartens, by 15 per cent in playcentres and by 29 per cent in Kohanga Reo.

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The report says there are now 64 early childhood education places for every 100 preschoolers nationally. But there are only 31 to 35 places for every 100 preschoolers in poor suburbs such as Mangere, Manurewa and Massey.

In an introduction to the report, Major Roberts said state spending on health, education and welfare had risen from \$23 billion to \$39 billion a year in the past decade, but it "seems to have contributed very little to our social progress".

"If we are to make real progress, and not simply grow our economy as well as our prison population, then we need to reflect on the relative priority we give to economic issues ahead of social concerns," he said.

"We need perhaps to focus on two quite compelling moral questions - what priority have we given to families and to the poor?"

"In particular, how have our personal behaviours and public policies nurtured family life and the ability of families to care for themselves?

"Furthermore, how have our public policies addressed the apparently widening gap between the rich and poor?"

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- reprinted from The New Zealand Herald

**Region:** Australia and New Zealand <sup>[2]</sup>

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