

# Big divisions loom over childcare [NZ]<sup>[1]</sup>

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## AVAILABILITY

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## EXCERPTS

Childcare and preschool centres have enjoyed unfettered growth for two decades as pressure to work fulltime has escalated on parents. Since 1990, while the number of "free" kindergartens has increased by 34 to 609, the number of fee-charging childcare centres has grown by 954, to 1673.

While kindergartens, which charge by donation, provide only morning or afternoon care for 3 and 4-year-olds, daycare centres provide full-day care for children aged from six months. Nearly two-thirds are private, the rest are run by not-for-profit community trusts.

But the Government's moves signalled in the Budget threaten to overturn the market-driven development of for-profit pre-school services. State funding for 20 hours' a week free care in non-profit centres from July 2007 is expected to send parents flocking back to kindergartens and community-owned centres.

The private centres are in ferment, fearing hundreds will be forced to close as parents inevitably choose the cheaper path. Ross Penman, president of the mainly private-sector Early Childhood Council, claims the funding change will open an average \$100-a-week gap in fees between comparable private and non-profit centres.

He expects the policy to have the biggest impact in Auckland, where 75 per cent of childcare centres are private.

The 2007 funding switch comes on top of other changes. A review of regulations, out for consultation, aims to standardise arrangements in a highly diverse industry which includes small, home-based creches, playcentres, kindergartens and fulltime daycare centres.

The review ranges from health and safety to education, quality assurance and staffing ratios and requires centre and home-based services to be licensed.

From next April the Government will also link funding for centres to qualifications; the more qualified the staff, the more money they get. As the proportion of qualified teachers rises, payments will increase until, by 2012, all teaching staff in private and not-for-profit centres will have to be registered or in training.

How will non-profit centres and kindergartens which already have long waiting lists meet demand for 20 hours' free care without a major increase in facilities?

Education Minister Trevor Mallard expects kindergartens to pick up some of the slack, which signals a change to their historic role of providing sessional care - three hours a day, three mornings a week for 3-year-olds and five afternoons a week for 4-year-olds.

In a letter to private centres, Mallard accuses their representatives of spreading misinformation. He says private providers will get about half of the \$307 million allocated for qualification-linked funding.

"This extra funding means you will have the additional resources to attract more qualified staff. You will be able to offer parents a higher quality product for about the same price or possibly less if you are already mainly employing trained staff."

But few expect the policy to lead to lower childcare fees. The difficulty with the early childhood sector is one that every preschooler is familiar with: one of these things is not like the other. There are wide concerns about the private sector's commitment to quality and its ability to increase participation by youngsters who miss out on pre-school now.

Private centres tend not to be found in Mangere, Otara and other low-income suburbs where pre-school attendance, particularly by Maori and Pacific Island children, is below the national average.

Mallard says the reforms are about ensuring all children reap the benefits of quality early childhood education. "It is clear that kids who have early education are more likely to succeed at school, less likely to be truants, to make the transition to secondary school and to pass their exams at the end," says Mallard. "What is intuitive [about the benefits of pre-school education] has now been proven by research."

So the \$365 million Budget-night commitment has twin targets: most will go to funding qualified teachers, the rest will fund the 20-hours' free care in non-profit centres.

Presumably, this will allow community-run centres to expand in areas of greatest. Mallard says community groups can already obtain discretionary grants - subsidies of up to 90 per cent - to help to build centres but not where there are already facilities. Grants are restricted to areas of demonstrated need and mustn't threaten existing centres.

The centres which struggle now to meet standards and employ the minimum number of qualified staff are the ones likely to suffer when 2007 comes around, says Mallard. He says the policy comes down to affordability.

"If you have to ration, I would rather see taxpayer dollars going to community-based centres where individuals aren't going to take profit than to centres which are being run for profit."

- reprinted from the New Zealand Herald

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