

Parents face \$80 a week fees shock ^[1]

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EXCERPTS

The parents of tens of thousands of preschoolers can expect to start paying more for early childhood care next year - in some cases up to \$80 a week for each child.

The increases are expected to kick in from February once the Government removes the top two funding bands for around 2000 centres which have more than 80 per cent of fully qualified staff.

A new survey, conducted by the Labour Party and released exclusively to the Herald, shows most centres facing the cuts plan to compensate by making staff redundant, passing costs on to parents or a combination of both.

The survey, which questioned 435 of the centres facing cuts, found 89 per cent planned to pass costs on to parents by increasing fees.

Those increases varied from \$2 to \$80 per child per week. In Auckland just over half of the centres indicated fees were likely to increase by \$15 to \$30, 14 per cent were \$40 to \$50 and 5 per cent were planning on increases of more than \$50 a week.

Nearly 60 per cent of the centres expect participation to drop as an effect of the funding cuts. Maori, Pasifika and children from low-income families are expected to be particularly affected.

Labour has used the findings to attack the National Government saying its ECE funding cuts, which were announced in this year's Budget, will only end up hurting children during the most important learning period of their life. National has hit back saying it is spending \$1.3 billion a year on early childhood education and centres should be finding ways to cover the costs themselves - not passing them on to parents, many of whom are already struggling.

Labour leader Phil Goff said Prime Minister John Key should be "ashamed" that participation rates will drop as a direct result of the Government's funding cuts.

Labour's Early Childhood Education spokeswoman Sue Moroney said nearly 40 per cent of centres plan on increasing fees and reducing the number of qualified staff, meaning families will have to pay more for a lesser quality service.

"The Government's budget cuts are delivering the worst of both worlds to New Zealand families," she said.

"The reality is that cutting hundreds of millions of dollars out of the early childhood education budget was only ever going to end in disaster. National cannot continue to ignore the evidence."

However, Education Minister Anne Tolley said the taxpayer spent an annual average of \$7653 on each child that was in early childhood care.

"That's a lot of money and we are spending \$1.3 billion every year and times are tough, so we have had to make some changes."

Despite that Ms Tolley said she had given centres a 2.4 per cent increase in funding to recognise cost increases and compensated new subsidises to accommodate the GST increase.

"They have had eight months to prepare for this and so I would be extremely disappointed if they increased fees for parents."

Ms Tolley urged them to recognise that parents were already facing economic pressures and instead take a good look at their own budgets.

"That's what the Government is having to do, that's what parents are having to do, so there's no reason why these centres shouldn't do the same."

NZ Childcare Association chief executive Nancy Bell said she was particularly worried about the loss of qualified staff from the sector and the predicted decline in participation.

The inequalities created amongst parents who could afford to pay and those who couldn't was another major concern.

"We know the Government is concerned about getting those children that are not participating in the door but we are not sure what the net effects of those initiatives will be."

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-reprinted from the New Zealand Herald

Region: Australia and New Zealand ^[2]

Tags: quality ^[3]

funding ^[4]

staff ^[5]

federalism ^[6]

budgets ^[7]

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Links

[1] <https://childcarecanada.org/documents/child-care-news/10/12/parents-face-80-week-fees-shock> [2]

<https://childcarecanada.org/category/region/australia-and-new-zealand> [3] <https://childcarecanada.org/category/tags/quality> [4]

<https://childcarecanada.org/category/tags/funding> [5] <https://childcarecanada.org/category/tags/staff> [6]

<https://childcarecanada.org/category/tags/federalism> [7] <https://childcarecanada.org/category/tags/budgets>