

Optimism Disappearing in the Early Childhood Education Sector

Overview

Optimism in the early childhood education sector is sinking further, according to the latest ChildForum survey of industry confidence and activity.

The survey of 200 respondents asked whether they expected improvement or for the situation to worsen over the next 12 months and to comment on any current challenges for their organisation or service.

Compared to two earlier surveys this year it appears the level of optimism is slipping. In May before the Government announced its 2013 Budget, a net 45% of respondents felt the situation would worsen. A survey in June had just a net 27% people predicting decline. However, it seems from the October survey results that despondency has set in again and is stronger with more than half of respondents (net 58%) indicating they now expect it will get worse.

The survey also asked a second question, on how things were going in each respondent's ECE service or the organisation to which they belong. A summary of comments received in response to this question can be found at the end of this report.

In general, the feedback shows many concerns already raised continue to cause problems for many ECE services, and in many cases, the situation seems to be getting worse. Issues included:

1. Reductions in funding and disparities in funding.
2. Too much time needing to be spent on paperwork and compliance.
3. Conditions favouring large scale private ECE over small and community-based services.
4. Low respect and low status accorded to ECE teachers and the ECE sector.

As in previous ChildForum surveys, there are reports of early childhood teacher education attracting less interest from potential applicants. It seems that early childhood teaching has lost much of its allure from a few years ago when graduates were in high demand by employers. It seems to be more professionally accepted now that employers will replace qualified early childhood teachers with unqualified and casual staff as services realise that Government does not intend to regulate for 80% qualified and registered teachers. Meanwhile, employers who want to reward and retain their qualified staff struggle to do so as pay increases become difficult due to lack of funding increases and a desire not to raise fees and risk losing children.

The burden of paperwork and administration continues to be a concern, despite the government's promises that it would tackle bureaucracy and allow services to spend more of their time focussing on children. This does not appear to have happened – and it seems that the introduction of the Ministry of Education's new Early Learning Information System will add to this concern further.

The feedback also shows strengthening concern with government's willingness to fund further places in teacher-led centres and home-based services in geographical areas that do not have the population of young children to sustain this and the competition this places on all service types.

Playcentre seems to be struggling more now because it relies largely on volunteers and parents' time and it does not receive the same level of funding as other services that would allow it to outsource non-teaching tasks.

Similarly for community-based childcare centres and kindergartens there are reports of parents being less able, and less willing, to help and contribute time. Furthermore, any increase in fees and optional charges in conjunction with the free 20 Hours scheme can result in parents being less inclined to contribute to such things as fundraising and committee work.

Larger ECE services (for economies of scale) and services with multiple centres or home-based licences in different areas (to spread risk) are reported to be more sustainable and appear to be more successful in the current funding and regulation environment.

For a glimpse into whether NZ's early childhood education situation is unique, at the end of this paper is a brief report on how early childhood education is perceived to be fairing in Australia.

Expectations for Change in the ECE Sector

In October 2013, a net 58% of respondents expected things would get worse for the sector over the next 12 months. There was little difference of opinion when the results were grouped according to the type of respondent, with the breakdown as follows:

- Owners, operators, or board members of ECE services – 54% thought things would worsen
- Managers / supervisors / head staff – 60% felt things would worsen
- Teachers / Educators – 61% felt things would worsen
- Parents involved in an ECE service e.g. as a volunteer – 61% felt things would worsen
- Teacher educators and professional development providers – 63% felt things would worsen.

Some respondents did feel things would improve, however this seemed to be conditional on something changing such as a change of Government, or tighter controls on quality within the industry.

Those who thought the industry would not improve or worsen but stay pretty much as it is made comments such as:

- There are several initiatives running in Rotorua. However, they seem to be focussed on quick good news rather than addressing fundamental issues.
- Things haven't changed in the last 12 months so I don't see much happening next year.
- Things aren't going to change because the Government probably doesn't know or realise these issues, and if it does, they probably aren't seen to be as important compared to Skycity convention centres and China not accepting NZ exports etc.

- Definitely cannot see an improvement - hopefully it can't get any worse. We are hitting rock bottom with child numbers at our service and receiving the lowest funding we have ever received.
- ECE is a diverse group this is our strength and it is also our weakness. We lack a united front to make things better.
- The current Government does not promote a quality education system despite them talking about it. Actions speak louder than words!
- There may be a few bribes before the election; Government is unlikely to make further cuts at the moment.

The comments received suggest that the bleak outlook stems from a few common concerns. These include:

Increased paperwork and bureaucracy:

- More compliance and paperwork required (with the Ministry of Education's new ELI data recording system particularly).

Funding disparities and reductions:

- Playcentre needs support as a not-for-profit organisation because the grants have dried up, people can't afford to donate, and there is a big drop off in giving your time to help.
- The Government is looking for ways to reduce funding to ECE further and I believe that targeting Home-based services for cuts next is likely.
- I think it has taken a while but gradually the lack of funding in some areas and the resulting low quality of centres in some areas is really starting to take its toll.
- The impact of funding cuts to kindergartens is being felt - less quality teaching available.

Increased privatisation of the sector and Government making conditions favourable for warehouse style ECE:

- Big organisations taking over smaller quality struggling centres.
- Greater move to privatise the sector and phase out community services.
- The sector is being driven by economy of scale i.e. big multi-licence centres where children are divided into year group ages. This means children are separated from other siblings, not learning from others of increased competency, not learning care and empathy of younger children. Having up to 5 transitions driven by the change of age or need to place another child into a place.
- The growth of large centres (roles of 100 and more) really concerns me. How do we avoid teachers and children feeling like part of a production line?

How ECE and teachers are viewed:

- The Government is not viewing ECE as important for tamariki but as a means to get parents back into work ASAP to 'boost' the economy.
- Funding cuts are seeing respect for ECE teachers declining.

- Loss of focus on professionalism (fewer registered/trained teachers needed) and loss of professional support (not much PD is available).
- Quality educators are looking for alternative work due to the lack of earning power.

How Things are for Early Childhood Services, Groups, and Organisations

The second part of the survey asked respondents to comment on the current situation in their particular service or organisation. Below are a number of the comments received that illustrate some of the challenges faced by ECE services and those that support them.

The comments below are included as written by the respondents to illustrate particular concerns or positive situations currently found in the ECE sector.

Despite a general lack of optimism, some respondents did report that things were going well, or at least were not going badly, at their service. Often this was due to a particular situation the service was in, or to the dedication of staff. It is also interesting to note, that even services which felt things were generally going well, often still had concerns in some areas as reflected by the comments below.

- Things are great. We are a private preschool. There is plenty of staff available. We are not pleased with the quality of training Need more "teaching skills".
- We are a community-based, teacher- led centre. All is going well - parents do not seem to want to participate anymore though and it takes a lot to get a good management team.
- Playcentre continues to be good but it's hard to get the education as some of the training is without kids and I can't access it due to having all/some of my kids with me.
- All good, we keep working hard. We would love to see the return of courses/papers like the old AST at Teacher's College return as they were good, practical, and inspirational (most of the time). Stuff that could be really useful when working with children, good reflective material and not just theory-based papers that are of little practical use.
- At my preschool, things are just going well, teachers are working as a team along with parents and board of trustees to raise funds to finance certain projects for the benefit of children and the whole preschool community.
- At our full-time education and care centre we are fine but finding keeping up high quality in qualified staff and lower ratios expensive. We do not want to pass on costs to parents as many are struggling.
- Steady, stable numbers of enrolments, lots of queries (private kindergarten).
- We are a privately owned centre, and things are going well. Enrolments are going up as we are gaining families dissatisfied with corporate entities and others with attractive pricing but with less focus on training and development for their staff and environments. One concern regarding this would be the removal of extra funding for professional development, teacher registration, etc.
- Our home-based service continues to provide quality care and we rely on our visiting teachers to encourage home-based educators to keep improving their quality goals.

- Privately owned centre - mixed ages - opened last year and we have no current concerns. Our roll is steadily rising as under-2s populating so there is room for more under-2s currently.
- Things are the same for our centre- we are constantly monitoring the financial viability of the centre, reviewing staff levels etc., to make sure that we are still able to provide quality services.
- We have taken all year to fill our spaces. Things are looking good but we have many going to school, so this will change again at the start of 2014.
- We are busy. Good qualified teachers with 1 -2 years' experience are hard to come by. We are a privately owned centre in Auckland.
- Private all day service - we feel that things are going according to our strategy plan. However, this is only because we are prepared to invest our own money to achieve high quality outcomes. We feel that we have had no support or encouragement from Government. We want to embrace diversity, and in particular children with special needs. This is our dream but it makes no economic sense from a business perspective. Furthermore, support from Special Ed is at best, very limited. We are also concerned that a broad understanding of Te Whariki is not evident, particularly in Primary. Pressure on primary schools to deliver on National Standards is impacting on parental anxiety about transition to school and school readiness.
- Things are good at my centre as we have a high ratio of qualified teachers who work in a professional manner with regards to our teaching practice which is reflected through a Reggio philosophy with Kiwi culture valued and respected from warm happy relationships with children, parents and teachers working to make trusting secure partnerships
- Education and care, private company centre - We operate in decile 4, 5, and 7 areas. No real changes apart from those caused by increased competition.
- We are building a new centre. This will improve the programme we offered and improve the education we offer to the tamariki in our centre.
- Things continue to go well at our service. We are fortunate to have a highly skilled staff, and are managing through provision of more in-house professional learning opportunities to continue to develop teachers as enquirers alongside children. We are managing to live within our financial means, and are optimistic about the future for our service.
- Private full-time ECE service - we are able to keep our service running to a high standard and retain staff because we are a large enough group to operate sound economies of scale.

The following comments reflect the thoughts of respondents who did not feel things were going well. These are just a selection of the responses received, which highlight the most common problems referred to.

Funding issues

- Kindergarten funding cuts (for those that meet the 80% qualified staff) mean less to spend on new resources when things break and teachers spend more time fundraising instead of promoting ECE. Kindergarten teachers and support staff are constantly on parents' case to make sure children are there on time (because if children are late arriving or they leave early we lose funding!)
- We need more funding allocated per child in a play group situation and support (playgroup volunteer co-ordinator).

- Our association of 14 centres is struggling due to lack of funding. We have to meet ever increasing compliance and meet the same outcomes/outputs as well-funded ECE centres. We have to meet the same ERO and Ministry of Education requirements on a third of the money. This isn't fair to us, families or communities.
- Funding issues are impacting on the employment of staff. We have lost money four years in a row and so the quality of our services is now compromised - 300 families in our services will be affected by this - both centre and home-based. Staff have received only a 2% wage increase since 2009 and the current funding structure cannot provide affordability and quality both at the same time.
- As a private childcare we have 100% qualified staff and have lost a lot of money with the funding cutback. We have had to seriously consider where we can save money which has negatively affected quality and families have struggled with fees which have had to be increased to accommodate funding loss.
- The funding we receive is not comparable to other EC services. We need to have mandatory training for nanny educators and home-based educators so that we can receive the higher rate of funding as well and be seen as a real and professional childcare option for parents/whanau.
- We are a group of committed parents working hard to provide quality education to our tamariki. We do not have enough funding to cover the fixed costs of our centre so a lot of our energy and resources are going to fundraising, costs review and grants applications. It would be great if we had an increase in funding so more of our energies could go into our centre and the children.
- We are a private childcare centre for 80 children including 25 under twos across 3 house buildings. We are struggling along. We still work on 100% registered teachers although it hurts the wage bill. We are not prepared to compromise on quality. Our funding was cut by \$158,000 and this is still impacting on us 3 years on.
- Insufficient funding to cover costs of running centre. Heavy dependency on volunteers which leads to roll drops due to workload. Inability to break out of the cycle (e.g. to move admin workload tasks to paid position) due to lack of funding.
- The costs associated are rising however the funding for our centre does not meet this rise.
- We are a community-based preschool and have noticed a huge increase in participation since introducing 20hrs free a few years ago - however this participation level would drop dramatically if we started charging an optional fee. We are a 3 teacher preschool with 100% qualified teachers - we should be funding for that to prevent having to charge fees. National's non commitment to quality ECE is disheartening.
- We struggle to keep up financially. Trying to think of new initiatives. Having to re-organise to take advantage of the best funding opportunities regardless of the effect on the community.
- We are a full-time non-profit service. Over the last year we have had to become more creative around claiming government funding, so that we can keep our fees as low as possible and stay within budget. One of our aims is to provide a flexible community service which acts as a support system to families in the way best suited to their needs. We have had to mould their needs into the 6 hours that Government funds so we can claim as much as possible each day. Not allow just a morning or middle of the day as families may need, as this takes out our ability to claim the full 6 hours.
- Our teachers have accepted very small percentage increases in their pay over the last 2 years so we can stay economically viable. Because of this our position financially is much stronger now

and we can look to the future. However, we cannot get too carried away as I still have a big cloud over what the Ministry will be doing with our funding structure. In our region it appears the smaller centres are now outweighed by the ones who have licences for up to 70 children. I believe in the smaller services for mixed age groups of children in particular, and that ECE should not be a vehicle to make money off.

Low or falling rolls

- Kindergarten rolls are very low due to an overload of centres in one area. Poverty has a huge impact on our families. We use a large amount of our equity funding to cover fees and buy food for our children so they will continue to come. We desperately need to be able to offer transport to families who are unable to get their children to kindergarten because of home detentions, cars impounded, and no money.
- Privately owned, full day centre for 30 children. We would like to have a full roll. I now have to spend increasingly larger amounts of my budget on advertising. I have the dilemma of the best teaching team ever, but it is the most expensive and I am probably not going to be able to afford to keep it together.
- Private centre – our centre is under-performing. We nearly closed in 2011. We have decreased staff including myself working at another centre for 6 months and reduced costs as much as possible. We are struggling to get numbers in. We are unable to do regular maintenance which will make us at risk for regulations around premises and health and safety etc.
- Numbers are dropping. A lot of mothers are working part-time, and don't have time to be involved in our Playcentre. The compliance and administration are taking up valuable time that would be best used in focussing on planning for children's play.

Too much competition

- We are a kindergarten and the on-going competition between services for children is a concern. Services are continually robbing each other of children taking the focus away from education and care.
- Home-based care and education is growing but it's highly competitive. The big institutionalised centres plus many smaller care and education centres are advertising for children and have free service for 2 months etc. to entice parents to their centres - this is occurring in Auckland. There are many changes of staff (lack of consistency) in some of the above centres.
- Too many centres are allowed by the Ministry to open in an area where there is one on nearly every street corner. There are too many spaces available and no children to fill them.
- Our roll numbers are dropping due to children moving to other centres - public kindergartens - where they either don't ask for optional charges or they are cheaper. We have had to cut back on teacher hours of work as a result.
- We are privately owned all day centre. A new centre is about to open in our small town and I don't believe there is room or the need for another centre. I think it is wrong that the Ministry allows centres to open wherever they like and possibly put established centres at risk of being viable.
- There are centres struggling, there is competition for children and too many low grade centres out there. There is less opportunity for higher level qualifications so a decreasing horizon for

good quality original thinkers. I worry that the post-graduate qualifications for the rest of the education sector will further marginalise ECE.

- We have great staff and great families, but low numbers due to saturation in the area. We are a long standing centre and have been in operation for 30+ years. We are still seeing low income families and solo parents who aren't qualifying for subsidy.
- Teacher-led all day service, privately owned – there are too many centres in the Nelson region with only 645 births last year, the future is looking like a challenge financially particularly retaining qualified staff.
- So many new and very large centres have opened in our area over the past 18 months to 2 years that with the dropping birth rates there are just not enough children to go around. Raising fees to break even is creating more problems as childcare moves even further out of the reach of families with low income.
- There is an over-abundance of commercial preschools in the area. It means that waiting lists are short but we are all looking for clients from the same market.
- More childcare centres opening in an area where there are 15 already within 4kms. The newest one has capacity for 200 children. Most centres in the area are below 70% in occupancy.

Lack of qualified staff and staff support

- At our private ECE centre staff positions are just given to teachers and not advertised. We are allowed only 2 hours for non-contact profile/assessment time per week when we work 40 hours. We do not go on professional development courses often and only some staff are chosen and then they have to give feedback and that does not happen as we are a staff of 20. More use is being made of untrained staff to cut costs.
- At our privately owned centre our under-two rooms have several untrained staff, meaning quality for these children drops. But I believe the first two years of life are absolutely critical, and this age group should have AT LEAST 80% trained, if not 100% teachers to ensure the best for them.
- We are a nation-wide corporate childcare chain. I've seen centres merge and the staff have low morale. We don't have a say in what is happening, everything is always mixed up and changing! I don't feel like we have consistency and quality staff. I can't have a say because I'm worried about the security of my job.
- I work in tertiary education - teaching an ECE degree. The number of enrolments seems to be dropping and anecdotally that seems to be because it is cheaper for centres to hire untrained staff. This is a concern, because a centre is not a home and children need teachers with specialist knowledge about development who understand the government focus on literacy and numeracy testing before 5/6 years
- Having to carry untrained people as teaching staff always comes with its issues.
- My centre is employing more relievers, rather than having a consistent permanent staff - not good for our tamariki. It's cheaper to employ unqualified, than qualified staff.
- Student teacher applications for training have dropped due to no employment prospects.
- In initial teacher education we are seeing fewer students, and some extremely good and others more challenging - both ends of the spectrum.

- We seem to be dealing with any issues satisfactory. I would like to see centre's get professional development funds for over 80% registered, even if it was a set amount for the centre to use not individually given. Teachers need to keep improving to keep their registration valid.

Increasing paperwork and compliance

- Community-based centre - the workload was increasing so much that I couldn't cope as meetings, professional development, and all those little extras that teachers do were now outside working hours and more was being expected. The association worked very hard to maintain very high standards but still had to lose teachers and demand more unpaid time.
- An increasing amount of admin work takes us away from the core activity of caring for our children in the centre. We are a community based not for profit service.
- I'm finding the increased pressure to conform to a specific style of teaching and the large amount of precise documentation under cuts time teaching the children. There is too much documentation.
- Funding is extremely tight, and both our home-based educators and visiting teachers have to complete more and more paperwork and documentation. This is beginning to detract from the quality care and education children are receiving.
- I am with Playcentre. This is great for children and families, the perfect environment for pre-schoolers. However in recent years the rules, policies and paperwork are distracting parents from communicating and playing with children. They need to go back to basics and make it about the child and family rather than the paperwork and policies.
- Things are good at our Playcentre, however, with the roll out of the Ministry's ELI and no extra funding, we are not in the position to pay someone or purchase computers or have internet so the extra workload put on people will overload them. If ELI coincided with Bulk Funding and Attendance registers it would, of course, be easier, however this is not the case. Also, ELI is apparently to catch children not receiving any ECE, so this whole thought process is flawed (by catching children already enrolled, you are still going to miss the children who aren't going anywhere). Playcentres do not receive just funding or recognition of its training diploma. [Name of a private home-based organisation that provides training courses] for example, offers a diploma that is recognised, however the assignments and Unit Standards are poor in comparison.
- Our Playcentre is currently unsustainable with not enough funding. Administration takes a large chunk of bulk funding, centres cannot function without the support of admin/educational training provided by associations, increased insurance costs impacting on centres and increased compliance for volunteers.

Parents having a lack of confidence

- We are seeing parents who are increasing questioning their own capabilities as parents. This is hugely worrying as ECE should not take away this incredible important role of parenting.
- Now - more than in other times over the last 10 years we are seeing people with significant confidence issues in parenting and in how they fit within the broader community. It is SAD. Through our programmes we do feel great when we see the turnaround of these people and see them learning alongside their children. This value is highly underrated presently though and due

to struggling for funds we are seeing a number of our facilities having to make decisions to close and then the community is losing this opportunity to grow!

Conclusions

It is apparent from the responses to this survey that many ECE services are still struggling to maintain high quality standards and in some cases even to remain open at all.

Many of the issues raised in this survey are the same as those raised in previous surveys suggesting that things are not changing within the sector and that more needs to be done to address these issues.

One concern that seems to be on the increase is the issue of increased competition and too many centres and home-based ECE schemes opening in close proximity to each other. Given that the Government is pushing to increase participation in ECE, it seems likely that it will continue to put positive messages out to business operators to open more spaces and competition will toughen further. Politically, competition may be viewed as positive for driving down costs for families and providing larger scale operations with the most favourable business conditions. Unfortunately the flip side is that this dilutes the ability of other local, small, and community-based services to meet operational costs, remain affordable to families, and provide high quality staffing, care and teaching for children.

Respondents' reported an unintended consequence of government's desire to promote participation in ECE and to make ECE a 'social obligation' – and that is a noticeable change in parents becoming less confident about their parenting as they become more reliant on ECE and spend less time with their children.

A response from someone in Australia's ECE sector shows that many of the issues highlighted in New Zealand are also being dealt with elsewhere. In Australia, the cost of care is still too high for families even though Australia is regarded as a wealthy country. The administration of the new National Quality Standard (NQS) "requires frank and open discussion not just happy speak". It is expected that ECE will get worse in Australia. "The demands on educators in relation to documentation are unrealistic and unsustainable and we will see increased attrition rates of our most experienced people particularly diploma trained educators. Feedback from service providers, directors, and senior educators is very concerning as the rate of burnout is increasing and educators are overwhelmed by documentation requirements."

It is apparent that those working in the ECE sectors both here and across the Tasman feel the sector needs to be nurtured, and offered more support both in terms of finances and to promote high quality standards for teaching and care.