

Speech delivered to Future for Children ECE policy forum 31 March 2011

by Sue Moroney MP

In a New Zealand context, politics is all about priorities.

The priority placed on children is one of the defining features between the two main parties in New Zealand and what has happened in early childhood education is a practical demonstration of this difference.

The current Government chose to cut funding to early childhood education because they had other priorities they wanted to fund instead.

I want to dispel the myth that the funding had to be cut to the sector because of the recession and I'll do it by using the facts.

In Budget 2010 \$400m of funding was carved out of the early childhood education sector at the same time as \$9.1b was given in tax cuts to the top 10% of wage earners alone.

So it is clear that the Government did have choices. They chose tax cuts that favoured the wealthiest New Zealanders over ensuring quality education for pre-school children.

Labour's priorities are different.

Labour sees quality early childhood education as an investment that holds opportunities for a better future – the current Government sees it as a cost that must be contained. Those two positions are poles apart.

Early childhood education is an investment: they ask 'can we afford it?' We ask 'can we afford not to?'

Labour does believe the research that tells us that for every \$1 invested in early childhood education, a minimum of \$11 is saved further down the track.

We understand that if we get it right for our very youngest children, then the benefits grow for that child, their family, their community and ultimately their country from that point on.

We know that children who receive quality early childhood education don't require further state funding for remedial education; are less likely to have poor health and will not be the ones who fill our prisons.

So we can save money on education, health, justice and corrections budgets.

It is no accident that in last year's budget, when funding was cut to early childhood education it was increased for corrections – to build more prisons. That is a trend we can expect to see more of unless we invest in quality early childhood education.

We know the children who have access to quality early childhood education will be more productive in the workforce – and that's going to be important for everyone's future.

Last week I attended a conference in Hamilton where Prof Natalie Jackson from Waikato gave a presentation on the nature of the demographic changes in New Zealand's population.

She predicted that by 2023 there will be more people exiting the workforce, than there will be those at the age of entering the workforce. That means that in 15 years time, 18 year-olds will be entering the workforce and will quickly gain the opportunity for promotion as the baby-boomers empty out of top positions.

The 18-year-olds who will have those opportunities are three years old today and this Government has just decided to cut funding to qualified teachers for their early childhood education. How short-sighted is that?

So, never mind the excellent investment that quality ECE presents in future savings for the country, who's going to keep us in our old age and how well-equipped will they be for that enormous task?

Because it will be enormous, as an ageing population relies on a smaller proportion of taxpayers and productive earners to keep the whole show going.

So early childhood education is considered to be a wise investment by Labour. The current Government consider it to be a cost, and therefore a cost that must be contained.

The rhetoric on ECE changed at the beginning of 2010.

On the election trail, National said they would keep ECE the way it was under Labour and make it better by improving staff/child ratios for under two-year-olds.

They have completely shattered those promises.

We all know now, that they have cut the funding despite saying they were committed to keeping 20 hours free and all other ECE funding.

I will read an excerpt from their 2008 Education policy document *Early Childhood Education and Care*:

National will retain all current subsidies and fee controls that prevent the charging of compulsory top-up fees. National is also committed to keeping all other ECE funding. This means that the cost of early childhood education will remain as affordable as it is at present.

But they have also stopped work on their promise to improve staff/child ratios for the under two's.

Even worse, just six days after the Christchurch earthquake, the Government announced changes to the regulations that actually increase the group sizes allowable for under two-year-olds.

Where currently, centres can have a maximum of 25 under 2-year-olds in one area the Ministry will allow up to 75.

I listened carefully to what the Minister said this morning about those regulation changes and I don't agree that removing fences and walls is just a bit of red tape. It is these fences and walls that help ensure children can have their own dedicated space. Sure, the licensing provisions and ERO audits can be streamlined but that could have been done without throwing the baby out with the bathwater, so to speak.

If the Government had bothered to consult with the sector, I'm sure they would have found a better way forward.

However, they did not even consult the Ministry's early childhood advisory committee and I am cynical about the timing of the announcement, while the nation was focussed on the tragedy unfolding in Christchurch.

So not only have they reneged on their promise to improve conditions for infants and toddlers – they have made them worse.

No wonder the Government is in denial over what it has done in early childhood education.

Last week in Parliament when I was asking Minister Anne Tolley questions on ECE, she said she had no responsibility for fee increases in the sector and then said there was no evidence of fee increases happening in early childhood education.

Just a month earlier, Prime Minister John Key looked straight down the barrel of the camera on national TV and told 3News that prices would not go up.

"I don't think so, no," he said. "A lot of the sector is totally unaffected."

These comments tell me just how out of touch they are with what is happening on the ground for families.

The Prime Minister's denial will be cold comfort for the thousands of families who are facing fee increases of \$10-\$60 a week more per child.

Parents like Nikki Stokes of Hamilton who has two children, Hunter and Rhys, using ECE services – Kowhai Childcare Centre.

Her fees have gone up \$20 a week. She is a sole parent and she is studying to make a better future for herself and her children.

This cost increase represents alone 1/25th of her weekly income. And then there is the increased transport costs she is facing, increased GST on everything she buys to keep her family going and every week she hopes the children don't get sick because fees keep increasing to go to the doctor.

The week to week struggle to make ends meet is relentless and Nikki is not alone.

Last night I shared a platform with Nancy Bell from the Early Childcare Association (Te Tari Puna Ora).

She said they had recently surveyed the providers who belong to their association to see what actions they had taken as a result of the recent funding cuts that took place on February 1.

More than 80% of their membership centres had lost funding; 62% had raised fees to compensate as one of the measures they had taken, and the fee increase was mostly around \$20 a week.

Already, they had seen 50% of the parents of children enrolled at those centres reduce their hours and some had left the services altogether.

Anecdotally, some of the children were ending up in informal care arrangements, being looked after by family members.

So their care needs are probably being attended to, but what about their education?

When these children start school, they will not have the same level of education of their peers and their disadvantage starts all over again – all because the Government cut funding to early childhood education and their family could not afford to pay the resulting fee increases.

How do you measure a Government's commitment to children?

We currently have the perfect conditions in which to answer this question, because it is in tough economic times that the answer to the question can easily be seen.

The clues lie in where funding is taken from and where that funding goes to.

Why is it that the Government won't consider reducing the \$9.1b tax cut to the wealthiest New Zealanders but instead are reviewing Working For Families?

I was proud that two of the most costly initiatives Labour put in place in its last term of Government both benefitted children – Working For Families and 20 hours free ECE. The former lifted 50,000 children out of poverty and the latter removed cost as a barrier to participating in ECE.

Our track record speaks for itself. Labour does put children ahead of returning more money to the wealthy and we will continue to do so. Mr Key's tax cut alone would pay for the funding taken out of a centre supporting 50 children and their families.

We have committed to returning the funding stripped out of ECE and we have also said we will extend paid parental leave.

We do so because of the clear evidence that exists that tells us this is in the best interests of the child.

I know that many people in this room dedicate themselves to research in this field and I thank you for that work.

I was proud that when Labour was in Government, we did make evidence-based decisions and we engaged with the sector to determine the detail of those decisions – the 10 year strategic plan in ECE is an excellent example of that.

I think there are some key pieces of research that desperately need to be undertaken in this field to guide Government decision-making.

One is an analysis of what impact the funding cuts to early childhood education is having on the amount of professional development undertaken; the quality of the PD and the impact on the quality of education offered to our children as a result.

Another is some analysis of what happens to the quality of ECE when having 100% qualified staff is dropped down to 80%.

To me, the answer seems obvious but I would like to see the research.

I want to finish by borrowing an analogy of that particular question from Amanda Coulson of the Wellington Kindergarten Association – I’m sure she won’t mind.

She asked – what if in our quest to win the Rugby World Cup this year, the Rugby Union decided that only 80% of the All Blacks needed to have been trained as All Blacks?

So 12 of the players would have been selected as All Blacks and trained for all those years to get there, but the other three were there because they just really loved rugby. They hadn’t done any training, they didn’t know the team strategy and learned how to execute it, but they were passionate about rugby.

Do you think we would win?

This is the mind-set this Government has used in cutting the funding for qualified staff.

If it’s not good enough for the rugby field – it’s not good enough for our children’s education.