



Briefing Note: Meeting with Playcentre Aotearoa

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To:	Hon Tracey Martin, Associate Minister of Education		
Date:	7 February 2020	Priority:	High
Security Level:	Budget Sensitive	METIS No:	1219184
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Messaging seen by Communications team:	No	Round Robin:	No

Purpose of paper

- You are meeting with Playcentre Aotearoa on Monday 10 February. This briefing provides you with background information on the organisation and relevant issues that may be discussed.
- Agree** that this briefing is not released at this time because it contains Budget sensitive information.

Agree / Disagree


Damian Edwards
Associate Deputy Secretary
Education System Policy

7/2/20


Hon Tracey Martin
Associate Minister of Education

9/2/2020

Background

1. You are meeting with Sean McKinley from Playcentre Aotearoa on Monday 10 February at 3pm. Mr. McKinley has been the General Manager of the organisation for the past 18 months. He held various Chief Executive positions prior to working at Playcentre Aotearoa.
2. On 4 June 2019, the New Zealand Playcentre Federation and all 32 Playcentre Associations were amalgamated to form Playcentre Aotearoa. Playcentre Aotearoa is now the service provider of the 420 playcentres currently licensed.
3. Playcentre Aotearoa is undergoing a restructure. Part of this work involves centralising operational processes, such as hiring staff, which were previously undertaken by individual playcentres. The organisation is also looking to extend its funding base.

Budget 2020 bid and Playcentre Aotearoa's financial situation

4. The Early Learning Action Plan 2019-2029 contains an action to 'co-design an appropriate funding model with Playcentre Aotearoa'. In July 2019, the Ministry met with Playcentre Aotearoa representatives. During this meeting, representatives noted that the organisation is projecting a deficit of \$8.1 million by early 2021. On this basis, Playcentre Aotearoa estimates that 24% of playcentres are at risk of closing, the majority of which are in rural areas.
5. The organisation states that current funding rates do not adequately cover costs. Under the Education (Early Childhood Services) Regulations 2008 (the Regulations), all early learning services must have a person responsible who holds a recognised qualification. Over the past five years, playcentres have increasingly had to employ staff to meet this requirement, due to the unavailability of appropriately qualified volunteer parents. This additional cost has not been factored into playcentre funding rates. Consequently, the organisation has had less funding available for property maintenance.
6. The Ministry worked with Playcentre Aotearoa to produce a Budget bid. [REDACTED]
7. [REDACTED]
8. We have not communicated to Playcentre Aotearoa specific details of the Budget bid due to Budget secrecy, including the dollar amount submitted.
9. The bid strikes a balance between Playcentre Aotearoa's interests and the Crown's interests, which means Playcentre Aotearoa may not agree with some of the assumptions used. [REDACTED]
10. We expect Playcentre Aotearoa to raise the Budget 2020 bid at the meeting. As you are aware, Wellbeing Priority Groups have not prioritised the playcentre budget bid. However, budget packages have not yet been finalised.

11. If no funding is provided in Budget 2020, there is a risk that some playcentres will close. Playcentre Aotearoa has stated that it will need to start selling property assets to meet payroll obligations from July 2021.

Creation of a generic parent-led service type

12. You have expressed interest in allowing for other parent-led service types within our regulatory system, including playcentres that are not affiliated with Playcentre Aotearoa.

13.

14. We have sought Playcentre Aotearoa's feedback on whether funding rate criteria should be differentiated by whether the person responsible is paid or a volunteer. The 'volunteer rate' would be lower than the 'paid person responsible rate', to reflect that there are lower costs for these playcentres.

15. The organisation has stated that volunteer-led playcentres tend to be on the quality rate¹, as they are based in high socio-economic areas where parents have time to study. Therefore, these playcentres would be unlikely to support a lower 'volunteer rate'.

Playcentre Aotearoa want recognition of course 3 extended

16. The Ministry is currently working with Playcentre Aotearoa to review regulatory and funding requirements for playcentres.
17. Playcentre Aotearoa's main concern relates to course 3. Course 3 was part of the old level 6 Playcentre Diploma and comprised 20 credits at level 4. It is currently a recognised qualification for the person responsible. The organisation originally requested that recognition of course 3 expire at the end of this year because their tertiary education organisation is now offering a level 4 early childhood education programme.
18. However, due to delays with the level 4 programme the organisation is now requesting that recognition of course 3 be extended indefinitely. Some components of the level 4 programme are not being taught at present, which means parents cannot complete the entire programme. The organisation is also looking to review the format of their programme. This is because requirements appear to be more onerous and less flexible than programmes offered by other tertiary education organisations.
19. The Ministry is currently working on this issue. Under the Regulations, the Secretary of Education has the power to extend recognition.

¹ Playcentres can receive higher rates of funding if they meet quality rate criteria. These criteria relate to the qualification level of adults at each session.