

Briefing Note: Meeting with Playcentre Aotearoa

To:	Hon Tracey Martin, Associate Minister of Education		
Date:	22 May 2020	Priority:	High
Security Level:	In confidence	METIS No:	1228911
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Messaging seen by Communications team:	No	Round Robin:	No

Purpose of paper

- You are meeting with Playcentre Aotearoa on Monday 25 May. This briefing provides you with background information and relevant issues that may be discussed.
- Proactively release** this Briefing Note with any information that may need to be withheld done so in line with the provisions of the Official Information Act 1982

Agree / Disagree



Damian Edwards
Associate Deputy Secretary
Education System Policy

22/05/2020

Hon Tracey Martin
Associate Minister of Education

___/___/___

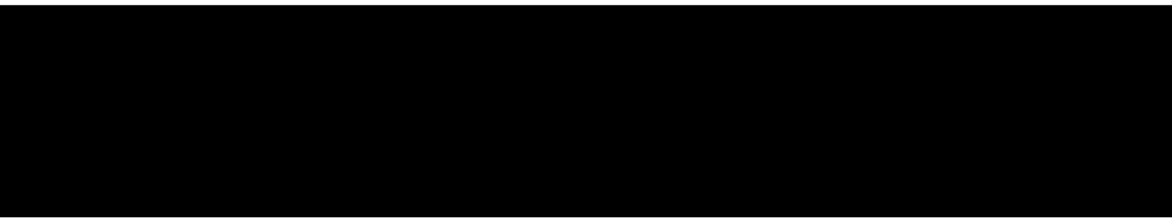

Background

1. You are meeting with Sean McKinley from Playcentre Aotearoa on Monday 25 May. Mr. McKinley is the General Manager of the organisation.
2. The Early Learning Action Plan 2019-2029 contains an action for the Ministry to 'co-design an appropriate funding model with Playcentre Aotearoa'.

Key issues facing playcentres

3. Funded child hours for playcentres fell by 5.9% between 2017/18 and 2018/19. This follows a trend that has seen playcentre hours fall by 26% over the past decade. This likely reflects increased scarcity of parent time. Unlike other licensed early childhood education (ECE) services, parents are typically required to attend some playcentre sessions with their children.
4. As a result of NZQA's targeted review of ECE qualifications, Playcentre Aotearoa were required to redevelop their tertiary education programme. The organisation chose to redevelop their programme to meet the requirements of the New Zealand Certificate in Early Childhood Education and Care (Level 4). This has resulted in the study load for parents increasing. Parents are expected to take part in the programme, as regulatory and funding rules require qualified adults to be present at playcentre sessions.
5. Playcentres have traditionally relied on qualified volunteers to attend sessions. However, Playcentre Aotearoa have advised us that 62% of all sessions are now being run by at least one paid adult as 'person responsible'¹. Sixteen percent of all sessions are run by one paid person responsible and one further paid adult.

Budget 2020 initiative

6. In July 2019, the Ministry met with Playcentre Aotearoa representatives to begin work on co-designing a funding model. Representatives from Playcentre Aotearoa noted that the organisation was projecting a deficit of \$8.1 million by early 2021. They also noted that 24% of playcentres were at risk of closing, the majority of which were in rural areas [METIS 1207716 and 129184 refers].
7. The organisation stated that current funding rates do not adequately reflect their costs. Their costs largely relate to playcentres having to increasingly employ staff to act as the 'person responsible', due to the unavailability of appropriately qualified volunteer parents.
8. 
9.  \$3.073 million, which results in a 6% increase to funding rates from July 2020. After Budget 2020 announcements, Mr McKinley expressed that this amount is insufficient to ensure the sustainability of playcentres. Mr McKinley has publicly stated that as a result, staff will need to be made redundant and playcentres in "high need areas" will have to close.

¹ All services are required to meet the Education (Early Childhood Services) Regulations 2008 in order to receive funding. One regulatory requirement is that all services must have a person responsible, who holds a designated recognised qualification. For playcentres, this is course 3 (20 credits at Level 4), or a relevant Level 4 (or higher) ECE qualification.

10. It is likely Mr McKinley wants to discuss the outcome of the Budget 2020 process with you and request further funding. You may want to confirm with Mr McKinley what amount he believes to be sufficient to address Playcentre Aotearoa's financial sustainability issues. You may also want to confirm the locations of playcentres that will be closing over the next year.

Next Steps

11. The Ministry is meeting with Playcentre Aotearoa on Friday 22 May, to discuss how the Ministry can support playcentres more broadly.
12. We will provide an update to you following this meeting, and seek your agreement on how to approach the next steps of the co-design work.