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Submission regarding the Proposed Outsourcing of the Pioneer Early Learning Centre as contained in the Draft Long Term Council Community Plan (LTCCP) 2009-19

Dear Councillors

In the Draft LTCCP 2009-19, the Christchurch City Council ("the Council") has recommended that the operation of the Pioneer Early Learning Centre ("the Pioneer ELC") be outsourced. I am writing to oppose to this proposal. I believe that the Council should maintain the status quo of Council ownership and operation of the Pioneer ELC.¹

I have two pre-school children which attend the Pioneer ELC. I have found it to be a supportive, nurturing, fun, and stimulating educational environment that is convenient, flexible and comparatively inexpensive. The staff should be commended for the excellent service they provide to parents and to the broader community.

I strongly submit that Pioneer ELC should not be outsourced and that the status quo should be maintained for the following reasons:

1. Outsourcing is inconsistent with Christchurch residents' visions for the City, as expressed in the Draft LTCCP and the Early Childhood Education Strategy.

As highlighted in the Draft LTCCP, the nine Community Outcomes agreed upon by the City are the foundations of the Draft LTCCP. In its present form, the Pioneer ELC directly contributes to four of the Community Outcomes:

- A city of lifelong learning – The Pioneer ELC's key focus is to provide young minds with the opportunity to commence on a journey of lifelong learning;
- A city for recreation, fun and creativity – In addition to the fun and creative environment enjoyed by the children at the Pioneer ELC, the Centre also provides a unique service for parents and care-givers to utilise the Pioneer leisure facilities on a

¹ Although my submission refers to the Pioneer ELC, most of the comments and arguments made are equally applicable to the QE2 Early Learning Centre.

scheduled or ad hoc basis (contrary to the misleading impression given in the Statement of Proposal for the Future of the Council's Involvement in Three Early Learning Centres – this is discussed later in my submission);

- A healthy city – As noted above, the Pioneer ELC contributes to the health of the City's residents by providing parents and care-givers with the opportunity to use the Pioneer leisure facilities or engage in other forms of exercise while their children are being cared for at the Centre. My wife and I regularly use our "child-free" time for this purpose; and
- A prosperous city – The Council does not provide any financial contribution to the Pioneer ELC's operations. The Pioneer ELC's publically available financial records show that the Centre pays the Council for IT services, and I assume that there are other shared services provided by the Council (e.g. legal, HR, accounting etc) which the Centre also pays for. Outsourcing the Pioneer ELC would remove this source of Council "revenue". It is not likely that there would be a direct commensurate reduction in Council's corporate resources given the shared nature of such services and the relatively small demand the Pioneer ELC must place on these services. Consequently, losing such "revenue" reduces the prosperity of the City and is inconsistent with the Council seeking to provide its services for the least economic burden to ratepayers.

The Council's Early Childhood Education Strategy ("the ECE Strategy") was established following a properly administered community consultation process. The proposal to outsource the Pioneer ELC in the Draft LTCCP is inconsistent with the ECE Strategy which has as an objective, among others:

"To facilitate the provision of quality, accessible and affordable childcare services at Pioneer and QEII leisure facilities ..."

It is submitted that the ECE Strategy cannot be changed without a proper consultation process and that such a process must occur prior to any decision regarding ownership or operation of the Council's early childhood centres.

2. The "Statement of Proposal for the Future of the Council's Involvement in Three Early Learning Centres" is seriously misleading.

The rationale for the proposal to outsource the Pioneer ELC in the Draft LTCCP is presented to the community within the Statement of Proposal for the Future of the Council's Involvement in Three Early Learning Centres. It is submitted that this document contains a number of misleading statements which, if corrected, undermine the conclusion that the Pioneer ELC should be outsourced. Specifically:

- a) *"Changes in Ministry of Education standards ... means that it is no longer possible to offer casual access."* **This statement is false.** The Ministry of Education does not regulate on availability to casual access. Casual access is one of the operating conditions established by the Council for the Pioneer ELC, and the required conditions have been satisfied by the Centre;
- b) *"Only 18% of people enrolling children ... use the recreational facilities ..."* This **statement misrepresents the situation.** The Pioneer ELC is required by Council to operate with only 18-23% casual access. If the Council found it desirable to offer more casual childcare services, then it should increase the casual access objective (recognising that it should equally be prepared to financially support the cost of providing such an increased service); and

c) "New regulations announced in July 2008 introduce new standards, but without increased funding to assist with the cost of compliance." **This statement is misleading.** With the change in Government, these new standards are now on hold pending review. Irrespective of the outcome of this review, the Pioneer ELC already meets the proposed new standards so there would be no additional cost of compliance. Further, even if additional funding was required in the future, this statement ignores the ability of fee increases to meet any such funding needs.

3. An outsourced (i.e. privatised) Pioneer ELC will not deliver casual childcare services without imposing a greater financial burden on ratepayers.

If the Pioneer ELC is outsourced, the operator (whether community-owned or a commercially-focussed entity) will not have an incentive to offer casual childcare given the strong demand for the Centre's childcare spaces. Greater revenue and a more stable revenue stream will be able to be secured by only accepting children booked on term contracts. This is the norm for commercial operators in Christchurch. The Council could require casual spaces to be offered as part of the outsourcing tender process, but this would likely require some form of Council support to pay for the lost revenue the operator would otherwise achieve. Given the rates-neutral impact of the Pioneer ELC at present, such support would mean a greater financial burden for ratepayers.

The ECE Strategy aims to assist economically disadvantaged community members in stating that a "...desired key outcomes of the policy include[s] ... improving the position of the least advantaged." If operated as a commercial service, the Pioneer ELC's fees would probably increase based on the fee levels and more arduous fee-structures of comparative commercially-orientated childcare facilities in Christchurch. Such an outcome would run counter to the ECE Strategy and the Council's goal of a more prosperous city.

I would urge Councillors to seriously consider my arguments on this matter and reject the proposal to outsource the Pioneer ELC.

Yours sincerely



Yoon San Wong