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DIFFERENCES BETWEEN COMMUNITY OWNED AND PRIVATELY OWNED EARLY CHILDHOOD EDUCATION AND CARE CENTRES: A REVIEW OF EVIDENCE

Linda Mitchell
Senior Researcher
New Zealand Council for Educational Research

Summary

This paper reviews research evidence about differences between privately owned and community owned early childhood education provision in aspects related to quality education for children. It presents new findings showing statistically significant differences in the employment of staff holding a teaching qualification, and of staff holding no early childhood qualification between corporate/ institution, community and privately owned education and care centres[1] in New Zealand. It reviews international and New Zealand evidence showing consistent differences between these types of centre, and regulatory measures that appear to help address these differences.

Current Situation

- At July 2001, there were 3450 licensed early childhood education services. 800 of these were privately owned education and care centres[2], and 758 were community owned education and care centres.
- Between 1990 and March 2002, there was no difference in the funding rates for privately owned and community owned education and care centres. From March 2002 some community owned education and care centres became eligible for Equity Funding. Privately owned centres are not eligible for this funding.

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1 Education and care centres were previously termed "childcare centres" by New Zealand's Ministry of Education, and are commonly termed childcare centres in other countries. In this paper I have used both terms consistent with usage at the time.

2 Also termed "for-profit" centres.

Factors Associated with Quality Early Childhood Education

- There is substantive research evidence showing that training and qualifications of staff, high rates of staff pay, high staff: child ratios, and small group size are associated with good quality education for infants and young children.

Findings of Differences in Employment of Qualified Staff in New Zealand

- A new analysis of the number and qualifications of staff in New Zealand's education and care centres shows there are statistically significant differences in the proportions of qualified staff employed by corporate/institutions, community owned centres and privately owned centres, and between centres of different sizes. Figures were taken at July 2001, when all centres came under the same funding rules.
- Corporate/institutions employ the highest percentage of staff holding a teaching qualification (54 percent), and the lowest proportion of staff with no early childhood qualification (26 percent). Corporate/institutions are community organisations such as polytechnics, schools, universities and city councils.
- Community owned centres employ the next highest proportion of staff holding a teaching qualification (42 percent), and the next lowest proportion of staff with no early childhood qualification (31 percent).
- Privately owned centres employ the lowest proportion of staff holding a teaching qualification (35 percent) and the highest proportion of staff with no early childhood qualification (36 percent). Differences are statistically significant.
- Medium and large centres have lower mean percentages of staff holding a teaching qualification than small centres, with medium and large privately owned centres having the lowest percentage.

Other New Zealand and International Research Evidence

New Zealand, Canadian, and United States studies have examined links between structural and/or ratings of quality and centre type, defined as nonprofit or community owned centres and private or for-profit centres. There are consistent patterns of findings from these studies, despite the different early childhood education policy frameworks in the three countries. A feature that seems to temper the linkages is a stringent regulatory framework. Findings that show consistency across the three countries can be summarised as follows:

- Private centres tend to pay their staff less and offer poorer working conditions. Wages are a strong predictor of quality in early childhood education.
- Private centres tend to employ fewer staff holding an appropriate early childhood education qualification. Training and qualifications are strong predictors of quality in early childhood education.
- Community owned centres tend to have different spending priorities than private centres, being more likely to place priority on staff wages and conditions. Private centres place a higher priority on buildings and/or equipment.
- Parents tend to be less involved in private centres.
- Ratings of process quality tend to be higher in community owned centres than in private centres.

- There is evidence from a United States study (Gelles, 2002a) that directors of community owned centres value quality of service above all other factors and make their decisions accordingly. Private centre owners are more likely to incorporate cost–benefit factors into their decision making practices.

Two United States studies (Helburn, 1995; Phillipsen, Burchinal, Howes, and Cryer, 1997) found that private centres are likely to provide much lower quality than community owned centres in states where there are weak licensing requirements. Phillipsen et al. (1997) found that high regulatory requirements for teacher qualifications, staff: child ratios, and group size, may counteract differences associated with centre ownership and help raise levels of quality for all centres across the board.

New Zealand Context and Issues

At 1 July 2001, there was a total of 3,450 licensed early childhood education services. Eight hundred of these (23 percent) are private education and care centres, owned or managed by a private provider, with profits being paid back to the provider for private purposes. All other early childhood education services are nonprofit community owned services.

The Ministry of Education defines community based services as:

> Community based services are those established as Incorporated Societies, Charitable, Statutory, or Community trusts, or those owned by a community organisation (e.g., City Council). Community based services are prohibited from making financial gains that are distributed to their members. (Ministry of Education, 2001, p. 3)

The main types of community owned early childhood services are education and care centres, kohanga reo, kindergartens, playcentres, home-based networks, and playcentres. This paper concerns education and care centres. There are 758 community owned education and care centres.

Between 1989 and March 2002, there was no difference in the funding rates of private and community owned education and care centres. From March 2002, some community owned centres became eligible for Equity Funding. Private centres are not eligible for this funding.

Private provision exists mainly in the education and care sector. There was strong growth in childcare provision during the 1990s from 300 in 1988, to 1049 in 1994, to 1558 in 2001.

Growth in private centres was probably encouraged by the market approach to funding and provision during the 1990s, which meant that any service that met licensing and chartering requirements, including privately-owned centres, would be eligible for early childhood education bulk funding.

The rationale for government funding of private centres is largely based on a view that markets are a good way to encourage quality education and offer parents choice. Arguments in favour of private provision include:

- the profit motive encourages services to be responsive to community needs, because those that do not meet needs are not sustainable;
- private centres provide an alternative option for parents as part of the diversity of early childhood education;
- parents choose private centres because they do not have the time or do not want to be involved in governance (e.g., Elliott, cited in Carnachan, 2002, p. 55);
- if the private sector provides good quality early childhood education, it should be funded on the same basis as other services;
- if private services went out of business, children would miss out on early childhood education.

Arguments against government funding of private centres include:

- profit margins detract from spending on factors (e.g., staffing, wages) that are linked in research evidence with good quality education;
- parent involvement in governance provides a mechanism for accountability to parents and offers opportunity for democratic parental participation in civil society;
- early childhood education is a public good, that needs to be provided and supported within the public domain.

Factors Associated With Quality Early Childhood Education

There is a body of research evidence demonstrating that early childhood education services must be of good quality if they are to make a difference to children's learning. Quality is defined in the research literature in relation to structures and processes. The two are linked.

Structural quality refers to those conditions or frameworks that assist staff/adults to engage in processes that foster children's learning. Wylie, Thompson, and Kerslake Hendricks (1996) showed that structural variables (small group size, high staff: child ratios, training, qualifications of staff and highest staff salary paid) were related to the quality of children's experiences in New Zealand early childhood settings. Another New Zealand study, (Smith, 1996), showed relationships between staff training, group size, staff wages and conditions, and measures of process quality.

These findings are consistent with many findings in international research. Smith, Grima, Gaffney, and Powell (2000, p. 49) gave the following examples of established measures of structural quality:

- adult: child ratios;
- group size;
- staff training, education and experience;
- staff wages and working conditions;
- staff stability.

Process quality refers to the environment and the interactions and relationships that occur in an early childhood setting and shape children's experiences. There is now substantial evidence on aspects of children's experiences that contribute to their social and cognitive development. Adult:child interactions, children's learning experiences with other children, and a rich range of age appropriate activities are important components of quality early childhood education. Adults who engage with children's interests, are involved, responsive and cognitively demanding, are able to stretch the child's skills and understanding. For example, an adult may extend the child through offering suggestions to allow the child to see other possibilities, or question and comment to take the child to a higher level of knowledge (e.g., Siraj-Blatchford, Sylva, Muttock, Gilden, and Bell, 2002; Wylie, Thompson, and Lythe, 2001).

Evidence of Differences Between Community Owned and Private Education and Care Centres

New Zealand, Canadian, and United States studies have examined links between structural and/or process quality and centre auspice, defined as nonprofit or community owned centres versus for-profit or private centres. There are consistent patterns of findings from these studies, despite the different early childhood education policy frameworks in the three countries.

New Zealand Evidence

There is striking current evidence that community owned centres in comparison with private centres employ a significantly higher percentage of staff holding an early childhood qualification, and of staff holding a teaching diploma. This differential pattern was also present in the mid 1990s. Trained and qualified staff are one of the key structural aspects of quality, and the absence or paucity of trained staff in private centres would probably link to lower quality education and poorer outcomes for children.

There is evidence of differences in quality ratings, with private centres having lower quality ratings than community owned services.

There is evidence that private managers may have different spending priorities from community owned management, and of concerns during the 1990s about accountability for spending government funding in the private education and care sector.

The evidence below of differences between community owned and private education and care centres in employment of qualified staff, quality ratings, and spending priorities is not a result of different funding levels, since services were funded on the same basis from 1990 until March 2002 (when some community owned centres meeting criteria received Equity Funding).

Employment of Qualified Staff

Figures provided by the Ministry of Education at July 2001 of the number and qualifications of teachers and staff in early childhood education and care centres show that there are significant ($p<.0001$) differences in the proportions of qualified staff employed by the different types of centre (community owned, corporate/institution, and

privately owned) and between centres of different sizes. Community owned centres and corporate/institution owned centres employ a significantly higher percentage of staff holding an early childhood qualification, and of staff holding a teaching qualification[3] than privately owned centres. Corporate/institutions include public service, hospital, tertiary institution, and schools and are owned by community organisations.

Private centres employ the lowest percentage of qualified teachers. Lower percentages of qualified teachers are found within medium and large size centres for all centre types, but the lowest percentage of all is in private centres.

Overall Differences Between Centre Types

At July 2001, a total of 9,520 staff were employed in education and care centres. Table 1 sets out the number and percentage of qualified staff by centre ownership.

Early Childhood Qualification by Number of Staff and Centre Ownership

Table 1

Ownership	Teaching qualification[4]	No early childhood qualification
Corporate institutions Number of staff=790	54% (425)	26% (206)
Community owned Number of staff=3252	42% (1379)	31% (1014)
Private Number of staff =5478	35% (1922)	36% (1954)

Community owned centres employed a significantly higher percentage of staff with teaching qualifications and a significantly lower percentage of staff with no early childhood qualification. Within the community owned sector, corporate institutions employed the highest percentage of staff with teaching qualifications and the lowest percentage of staff with no early childhood qualification. This difference may reflect the higher levels of infrastructure support provided by institutions and corporations.

Centres With Fewer Than 5 Staff

At July 2001, there were 474 education and care centres with fewer than 5 staff. A total of 785 staff were employed in private centres, 630 in community owned centres, and 91 in corporate or institution centres. 56 percent of staff (51) in corporate/institution centres and 52 percent of staff (326) in community owned centres held a teaching qualification,

[3] Diploma of Teaching (ECE), or NZQA equivalence, or NZFKU Diploma, or Higher or Advanced Diploma of Teaching, or Bachelor of Education (Teaching).

[4] Teaching qualification = Diploma of Teaching (ECE) or NZQA equivalence NZFKU Diploma, or Higher or Advanced Diploma of Teaching or Bachelor of Education (Teaching). Note that the percentages in each row do not sum to 100% as the data for those with some qualifications but not holding a teaching qualification are not shown. These qualifications are variable and do not form a simple uniform category.

compared with 41 percent of staff (323) in private centres. Differences between community owned centres and private centres are statistically significant ($p<.001$).

Twenty-seven percent (209) of staff in private centres with fewer than 5 staff had no early childhood qualification, compared with 24 percent (22) in corporate/institution centres and 21 percent (133) in community owned centres.

Centres With 5 or More Staff

Community owned centres with 5 or more staff employed a total of 2622 staff. 66 percent (1741) had an early childhood qualification, with 40 percent (1053) of these holding a teaching qualification. Private centres employed 4693 staff. 63 percent (2948) had an early childhood qualification, with 34 percent (1,599) holding a teaching qualification. There were 699 staff in corporate institutions, with 74 percent (515) holding an early childhood qualification and 53 percent (370) holding a teaching qualification. Differences in the proportion of staff with qualifications in the different types of centre are statistically significant ($p<.0001$).

The proportion of trained teachers in a centre with 5 or more staff was analysed by centre size and type of centre, with community owned centres combined with corporate/institution centres (since these are owned by community organisations). Size was categorised as small (5 or 6 staff), medium (7-10 staff) and large (11 or more staff).

Early Childhood Qualification by Centre Ownership and Size[5] of Centre

Table 2

Ownership	Teaching qualification[6]	No early childhood education qualification
Small private	38%	33%
Medium private	32%	39%
Large private	32%	42%
Small community/corporate	46%	27%
Medium community corporate	43%	33%
Large community/corporate	41%	34%

The private centres had the lowest mean percentage of qualified teachers at 35 percent compared with 44 percent in community/corporate/institution owned centres. Medium and large centres had the lowest percentage of trained teachers.

There were differences between private centres and community/corporate/institution owned centres in the percentage of staff who had no early childhood qualification. Private centres employed a significantly higher number of staff with no early childhood qualification than did community/corporate/institution owned centres. The highest

[5] Small = 5 -6 staff, medium = 7-10 staff, large = 11 or more staff.

[6] Teaching qualification = Diploma of Teaching (ECE), or NZQA equivalence, or NZFKU Diploma, or Higher or Advanced Diploma of Teaching, or Bachelor of Education (Teaching).

mean percentage of staff with no early childhood qualification was found in large private centres (42 percent). This compared with 34 percent in large community/corporate/institution centres.

When the extremes in staffing were analysed, further differences were found between the groups. In one small private centre, 100 percent of staff had no early childhood education qualification, although there were a few high percentages of staff with no early childhood education qualification for each type. At the lower end, 59% of small community owned centres had 20% or fewer staff with no early childhood qualification, compared with 41% of small private centres. Twenty seven percent of medium community and 21% of medium private, and 33% of large community and 17% of large private had 20% or fewer staff without an early childhood qualification.

Staffing, Wages and Working Conditions

The Combined Early Childhood Union of Aotearoa (1993) surveyed 292 staff members employed in childcare centres in November 1992 about changes that had been made to centre operation following the February 1992 cuts in under-two funding rates from $7.25 per hour to $4.50 per hour. Results were analysed by centre auspice. A higher percentage of private centres reported making negative changes to staffing (poorer ratio, bigger groups, 1 redundancy, less inservice) and working conditions (cutbacks to leave, hours cut, employment contract not owned centres reported making negative changes to fee levels (fee increase), not replacing equipment or maintaining buildings, being faced with possible closure, and making redundancies.

These results suggest that when faced with reduced government funding, private centres may determine different priorities from community owned centres for making savings in their operational expenditure. Community owned centres were more likely to look for savings in areas that keep staffing and conditions intact. These are aspects linked with quality for children.

Centre Ownership and Quality Ratings

Anne Smith (1996) examined the relationship between centre type and ratings of quality in her study of 100 childcare centres in Hamilton, Palmerston North, Wellington, Christchurch, Dunedin, Invercargill and smaller provincial towns. The study was carried out in 1993/94. This showed a relationship between the Abbott Shim Assessment Profile [7] and centre types, with institution/employment-based centres generally doing better than community centres, followed by private centres. Smith pointed out that private centres differ from community and employment-based centres because most private centres try to make a profit. "Profit margins may lead centres into paying staff lower wages, and providing them with poorer conditions of work in comparison to community centres" (p. 43).

The Smith (1996) study gave no evidence about costs of buildings or utilities for the sample centres, but it seems that both community owned and private education and care

[7] An observation checklist for evaluating early childhood centres in terms of whether they facilitate children's learning and development.

centres have variable costs, e.g., some centres have a mortgage or pay rent, while others own the building outright.

Accountability

Soon after bulk funding of early childhood services was introduced in 1990, concerns were expressed by the Audit Office that there was insufficient accountability for government funding of early childhood education. In September 1990, the Education Review Office carried out a special review of the use of funding by early childhood centres. It expressed concerns about the use of funds: "There was evidence that in some centres bulk funding was being directed to aspects of administration and the upgrading of existing assets to the prime benefits of the proprietors now and in the future" (Education Review Office, 1990, p. 7). A national special review in January 1991 confirmed the findings of the first review:

> There continues to be concern, as expressed in the pilot review, of the use of increased income to purchase additional property or to make substantial improvements to existing property, which creates the clear potential for capital gain if the business is sold. (Education Review Office, 1991, p. 3)

The first formal hearing of the Parent Advocacy Council on 4 October 1990 considered accountability of private childcare centres for government funding. This followed a complaint by parents at a privately-owned centre that increased government funding intended for education was not being spent on reducing fees or enhancing staffing or resources.

> The committee reached the view that privately–owned early childhood institutions should be fully accountable to their parent communities and to the government for the way they spend the bulk grant and that the current system for that accountability was inadequate. (Parent Advocacy Council, 1991, p. 28)

It recommended that bulk funding should be tagged for:

- Reducing fees; and/or
- Improving staff conditions; and/or
- Improving centre facilities; and/or
- That reporting procedures should be set in place on how funds are spent.

The profit-making opportunities offered by childcare provision are illustrated in an advertisement in the "Business Opportunities" column of an Auckland newspaper in December 1998 (NZEI Te Riu Roa, 1998). It read, "Childcare. An industry which will return you 20 percent plus on your investment. From $300,000 to $1.4 million".

Canadian Evidence

Goelman, Doherty, Lero, La Grange and Tougas (2000) carried out a large research study across 7 states in Canada (Alberta, British Columbia, New Brunswick, Ontario, Quebec,

Saskatchewan and the Yukon) aimed at identifying factors that are most important for predicting and maintaining high quality teacher-child interactions and optimising the quality of learning experiences in childcare centres. The study involved 234 centres and a survey of 1352 teaching staff. Observations were done in the classrooms of 312 of the teaching staff, who also took part in follow-up interviews.

Quality ratings were gathered using the Infant/Toddler Environment Rating Scale, the Early Childhood Environment Rating Scale-Revised, and scores of teachers on the Caregiver Interaction Scale. The study examined centre quality in relation to centre characteristics, teaching staff wages and working conditions, and teaching staff characteristics and attitudes.

Centres under two types of auspice were studied:

- Nonprofit centres operated by parents, a voluntary board of directors, or a non-profit organisation, such as the YM/YWCA, a college, university or school board.
- Private centres that are private businesses operated by an individual, a partnership or a corporation.
- There were no private centres in Saskatchewan, and data for the whole sample across states was analysed in relation to centre auspice.

The analysis considered both direct predictors of quality, and indirect predictors of quality (variables that impact on intermediate variables that in turn serve as direct predictors of quality), and the relative weight of each.

Higher levels of staff sensitivity were associated with:

- Higher staff wages.
- Teaching staff with higher levels of early childhood care and education (ECCE) specific education.
- Better benefits.
- Higher staff levels of satisfaction with their relationships with colleagues and the centre as a work environment.
- The centre being used as a student-teacher practicum site.
- The centre receiving subsidised rent and/or utilities (a factor that allows it to pay higher wages).
- The centre having favourable staff:child ratios.
- The centre being nonprofit.

The most significant predictor of quality in both infant/toddler settings and preschool settings was the observed staff member's wages. Four variables in turn were significant predictors of wages. These were

- The auspice of the centre.
- The level of full-time fees.
- The individual's level of ECCE specific education.
- The number of staff in the observed room.

Auspice was the **strongest** predictor of wage level, with nonprofit centres paying higher staff wages. Nonprofit centres also had higher levels of parent fees and subsided rent or utilities than private centres. The strongest variable that was both a direct and indirect predictor of quality was the level of the observed staff member's ECCE specific education.

Doherty, Lero, Goelman, LaGrange, and Tougas (2000) in their Canada wide survey of 848 childcare centres, 848 childcare directors and 4,154 childcare staff found differences between private and nonprofit centres in staff training and qualifications, wage rates, expenditure patterns, and centre resources.

In nonprofit centres, 10 percent of teaching staff had no ECCE education, 14.5 percent had an ECCE course lasting one year or less, and 59 percent had a two or three year ECCE credential. In private centres, 16 percent of staff had no ECCE education, 27 percent had an ECCE course lasting one year or less, and 43 percent had a two or three year ECCE credential. Seventeen percent of directors in nonprofit centres and 20 percent of directors in private centres lacked any ECCE education. In other words, more staff in nonprofit centres had indepth training and qualifications for work in early childhood education than staff inprivate centres.

Staff were paid more in nonprofit centres. The mean average hourly rate for full-time teaching staff was $12.21 an hour in nonprofit centres and $8.64 an hour in private centres.

Nonprofit and private centres allocated different proportions of their budget to different expenditures—wages (80 percent and 66 percent respectively), benefits (10 percent and 6 percent respectively), rent/mortgage (6 percent and 18 percent respectively), and utilities (3 percent and 10 percent respectively). Private centres were less likely to receive in-kind donations. Nonprofit centres therefore spent a higher proportion of their budget on staff than private centres, and a lower proportion on plant.

Nationally, 38 percent of revenue in private centres came from government sources, and 51 percent in the nonprofit sector. More nonprofit centres received in-kind donations and subsidised or free rent.

United States Evidence

A major United States study (Helburn, 1995) carried out in 1993/1994 examined the cost and quality of childcare in 401 childcare centres, and the effect of centre quality on developmental outcomes for 826 children. It compared characteristics of centres by auspice within the nonprofit and for-profit sectors. Characteristics were:

- structure;
- wages, personnel policy;
- structural quality, process quality, and staff characteristics;
- cost, revenue, subsidies, and fees.

Nonprofit centres were separated into three auspices, church-affiliated centres, publicly operated centres, or independent nonprofit centres. For-profit centres were also separated into three auspices, independently owned, belonging to local systems of two or

more centres, or part of national systems of centres. The extent of government funding was considered, and worksite centres were compared with all other centres. These were on or adjacent to facilities of an employer, were intended for the employees of that employer, and received significant assistance from the employer.

An overall conclusion was that

> The following types of centre seem to provide better quality: public auspices, independent nonprofits, private centers receiving funds tied to higher standards, and worksite centers. Generally, these types of centers also have higher expended costs and full costs per child hour. (Helburn, p. 232)

Phillipsen, Burchinal, Howes, and Cryer (1997) used interviews, questionnaires and observations to assess structural and process quality in 228 infant/toddler and 521 preschool classrooms in nonprofit and for-profit centres. The study was undertaken in four states which had different levels of regulation, representative of licensing criteria found within the United States. Higher quality was found in both settings (infant/toddler and preschool classrooms) in states that had the most stringent regulations, and in nonprofit centres. The authors concluded that "more stringent regulations for teacher education and experience and adult: child ratios have a substantial impact on child care process quality" (Phillipsen et al., p. 301).

A recent United States study (Gelles, 2002a, 2002b) found differences in administrative attitudes and practices among for-profit and nonprofit childcare providers. She surveyed 120 directors of randomly selected centres in Atlanta. She evaluated attitudes to the following aspects of childcare: ratios, staff education, parental involvement, and group stability. She gathered information on the following practices: current ratio in one year old room, current hourly wage for highest paid toddler/caregiver, reported parent volunteering, self-reporting of groups of children being shifted. She reported findings as including:

- Directors of nonprofit centers tend to have higher levels of education, and are more likely to have training in child development than in management.
- Directors of nonprofit centers value quality of service above all other factors and make decisions accordingly. For-profit centres are more likely to incorporate cost/benefit factors into their decision making processes.
- For-profit centers tend to pay their employees less, have a higher staff to child ratio, and lower group stability. Parents of children in for-profit centers tend to be less involved in the operations of the center than parents in nonprofit centers.
- The analysis suggests that communications problems between parents and providers are more likely in the for-profit enterprise, because it is in these facilities that the reported quality of care is lowest. (Gelles, 2002a).

Discussion

The Childcare Resource and Research Unit, University of Toronto, proposed that as a long term goal, Canadian childcare should be delivered through non-profit services, and suggested ways in which this could be done. These were to:

- Revoke funding for currently funded programmes.
- Direct new funding only to nonprofit childcare services.
- Establish funding and assistance to "convert" to nonprofit services.
- Grandparent existing services which are for-profit, permitting new funds to flow only to grandparented services, not new ones.
- Restrict new licences to nonprofit services.
- Terminate licence to for-profit services.
- Shift responsibility for childcare to a public service, like education.

The findings of this review clearly indicate the links between well qualified teachers, higher teacher salaries, and better quality of provision. They show that private centres are likely to score lower on all these variables. A number of options are open to the government in encouraging good quality early childhood education for all children. One is to apply more stringent regulations for teacher qualifications, staff child ratios, and group size, since we know these staffing areas are linked to quality.

The government has announced strategies (New Zealand Government, 2002) to increase the number of qualified teachers in early childhood education, so that by the year 2012 all regulated staff in every teacher-led service will be required to be registered teachers. A review of regulations of group size and ratios is underway. Pay parity with primary and secondary teachers has been negotiated for kindergarten teachers, but a mechanism to achieve pay parity for teachers in childcare centres has not been determined. If pay of teachers is left to the market, evidence suggests that the private sector will move at a slower rate than the community owned sector.

One option is to develop a model for integrating childcare centres into the state sector. In return for greater government support and funding, stricter conditions could be applicable. These could include government negotiation of a unified teachers employment agreement (as happens in the kindergarten sector), stringent staffing requirements, and a cap on fees payable.

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