

169 childcare centres to lower fees next year



Star Learners, which has over 1,600 children in its centres, will reduce its median full-day childcare fee from \$990 to below \$800. PHOTO: MY PAPER FILE

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23 partner operators, with 16,500 places, to get govt grants in return

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Thousands of parents will pay less for childcare from next year, with 23 childcare centre operators selected for a government scheme aimed at keeping fees affordable.

Offering 16,500 places across 169 centres, or one in seven here, the operators get government grants in return for reducing fees, which must be capped at \$800 a month (before goods and services tax) for full-day childcare. The operators are appointed for five years under the partner operator (POP) scheme and will implement the one-off fee cut on Jan 1 next year. Any subsequent fee hike has to be kept affordable and below the \$800 fee cap.

Two-thirds of the centres under the scheme now charge more than \$800. Across the board, the centres will reduce fees by \$80 on average.

The new scheme targets small and mid-sized operators and complements a programme for anchor operators, which get priority in securing Housing Board sites for centres and have to cap fees at \$720 a month. The industry median is \$907 a month.

Limits on charges

Programme	Fee cap (before GST)
Full-day childcare	\$800
Half-day childcare	\$600
Full-day infant care	\$1,400
Half-day infant care	\$1,000

Source: EARLY CHILDHOOD DEVELOPMENT AGENCY
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One of those appointed, Alliance First, is a newly formed consortium of seven centres from five operators.


The Early Childhood Development Agency (ECDA) said the operators were chosen through "an open and competitive process, based on the strength of their proposals and track record".

Speaking at an ECDA scholarship ceremony yesterday, Minister for Social and Family Development Tan Chuan-Jin said: "(The partner operators) will work with us to keep early childhood services affordable, raise the quality of pre-school programmes, and improve career development for our early childhood professionals. This will help us better support parents with young children."

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About \$250 million over five years has been set aside by the Government for both schemes. The two types of operators are expected to make up half the market by 2020.

The two largest partner operators are Star Learners, with all its 22 centres on the scheme, and Carpe Diem Holdings, with 16. Partner operators can opt to have only some of their centres on the scheme.

Star Learners, which has over 1,600 children in its centres, will reduce its median full-day childcare fee from \$990 to below \$800.

Its chief executive Tan Meng Wei said: "I think it's an entire package - it comes with increasing the quality of our teachers and centres but, at the same time, we have to keep fees affordable."

Almost a quarter of the POP centres are run by voluntary welfare organisations, which tend to charge less. These include 11 centres run by Presbyterian Community Services, which will lower its full-day childcare fees from \$700 to \$665.

The POP scheme was announced in March and attracted 40 applications, including several joint proposals by separate companies.