

Childcare centres

## Five small players in joint operation

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Group is one of 23 under scheme to keep lid on fees; they must offer 300 places each

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In an unusual move, five small players in the childcare business have joined forces to reap the benefits of a government scheme designed to keep a lid on fees.

They formed a consortium, which comprises seven childcare centres with more than 540 places, to take part in the partner operator scheme.

Yesterday, the Alliance First consortium was named as one of 23 operators under the scheme. Participating centres get grants but have to cut their fees, which must be capped at \$800 a month (before GST) for full-day childcare.

Alliance First is the only one of the appointed operators that is made up of a newly-formed entity.

It has seven centres: Bright Sparks Childcare and Young Minds Childcare; two Sunshine Kids centres; Active Learners; Genius Hive Pre-School; and The Sunbird Child Development Centre. They will cut fees by about \$40 on average.

### PAVING THE WAY

**It'll be interesting to see how that partnership evolves, as that may also point the way for other smaller operators to come on board.**

MR TAN CHUAN-JIN, Minister for Social and Family Development, on the new consortium



There are plans to share best practices, hold joint recruitment exercises, and have a common pool of relief teachers.

"But we will not control each other; we respect each other's space. We also don't see one another as competitors, as we're in different parts of Singapore," said Mrs Ang.

Speaking about the consortium at a scholarship ceremony yesterday, Minister for Social and Family Development Tan Chuan-jin said: "It'll be interesting to see how that partnership evolves, as that may also point the way for other smaller operators to come on board."

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To be eligible for the scheme, applicants had to offer at least 300 childcare places each. Smaller operators that did not meet this criterion could submit a joint proposal.

When the scheme was announced in March, then-Minister for Social and Family Development Chan Chun Sing encouraged small operators to band together and share resources, noting that "it does us no good" to have too fragmented an industry. The sector has about 400 operators, mostly small ones with one or two centres.

Active Learners director Angela Ang told The Straits Times that the five operators had not known each other well, except for brief meetings at industry events.

But they wanted to find partners as they thought it was important to reap economies of scale. She said: "We cannot do it alone in this industry."

