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Rhetoric to Reality: Early Childhood Education Funding Policy

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Abstract

In the 1997 budget the Government increased bulk funding to early childhood education centres by 5%.

Since 1990 the amount of State spending on early childhood education has increased annually, more early childhood centres have opened and more children are attending. There has been a trend to a “New Right” approach, allowing market forces to regulate quality and supply. The current Government does not wish to foster welfare dependence and wishes to clarify that parents are responsible for the care and education of children under five. Given this political context the 1997 increase was a surprise to some stakeholders.

This research examines the goals behind the 1997 funding increase. It focuses on a particular, discrete injection of public money and analyses the rationale behind it.

The questions for this research are:

- What does the government intend to achieve by increased State investment in early childhood education and care?
- How is the success of this investment to be judged?
- Who makes the decisions on spending of government funding in centres?
- Does the decision maker’s understanding about the use of this money coincide with that of the policy makers?

Table of Contents

Abstract	i
Table of Tables	iv
Table of Figures	v
Chapter 1 Introduction	1
Aims of This Study	1
What is the Problem?	2
Templates for Policy Analysis Design	5
Outline of This Study	6
Chapter 2 Review of the Literature	7
Education Policy Directions	16
Chapter 3 Theory and Background	23
Theoretical Stance	23
A Critical Approach	25
Why Involve the State in Early Childhood Education?	27
Is Quality Improved When More Money is Provided by the State?	27
History of Public Funding in Early Childhood Education	29
Current Situation	34
Other Issues	36
This Study	39
Chapter 4 Research Methods	41
Policy Analysis Methodology	42
Methods of Data Collection	44
Quantitative Data	49
Restrictions	51
Strengths and Limitations of the Study	52
Chapter 5 Results: Context of Construction	55
State Agents	55
Political/Economic Conditions	55
The Context of Construction	59
Chapter 6 Results: Policy Text	64
Conclusion	69
Chapter 7 Results: Context of Interpretation	71
Section A: Quantitative Results	71
Section B: Qualitative Results	83
Question 1: Was an increase in bulk funding expected? If yes - how much? ..	83
Question 2: What did you think was the purpose of the increase in bulk funding?	89
Question 3: What do you think early childhood education centres were expected to do with this increase in bulk funding?	94
Question 4: Who makes decisions in Associations and centres?	99
Question 5: What areas appear to have priority for spending?	108
Question 6: In your opinion or experience has this money brought about the re- quired improvements?	119
Question 7: In what way could increased funding be introduced which did improve quality, affordability and access?	128
Chapter 8 Conclusions	135

Chapter 9 Implications for Public Funding Expenditure on ECE and Further Research	141
Appendices	145
Appendix 1 Government Funding Per Hour Since 1990	146
Appendix 2 The Policy Making Process	147
Appendix 3 Comparison of Salaries Across Teaching Sectors in New Zealand	149
Appendix 4 Early Childhood Education Statistics	151
Appendix 5 Information to Participants, Consent form, Interview Schedule ..	153
Appendix 6 Glossary of Terms	158
Appendix 7 Auckland Kindergarten Association Accounts Analysis	161
Appendix 8 Independent Centre Accounts Analysis	162
Appendix 9 Annual Salaries Across the Education Sector	163
Appendix 10 Auckland Kindergarten Association Council Minutes	164
Appendix 11 Changes in Childcare Centre Fees 1997/8	165
Appendix 12 Interviewee Code Numbers	166
Appendix 13 Media Releases	167
Appendix 14 Policy Advice Documents	169
Appendix 15 Bibliography	172

Table of Tables

1: Some of the components of early childhood education contests.	38
2: Criteria for selecting interviewees.	46
3: Numbers of teachers and parents interviewed at Kindergarten.	48
4: Education sector experience of Members of the Select Committee for Education and Science.	63
5: Childcare Centre fees	77
6: Average weekly household spending on health and education.	78
7: Did you expect any increase in bulk funding in 1997? If yes, how much?	83
8: Possible reasons seen for bulk funding increase.	90
9: Who do you think makes the decisions on spending of government funding in Centres?	103
10: Which areas do you think appear to have priority for spending?	109
11: Donation rates (\$) at two Auckland kindergartens over the last five years (Auckland Kindergarten Association Annual Reports).	116
12: Opinions on changes resulting from increased bulk funding.	120
13: Funding rates for early childhood education in 1997.	146
14: Children on the rolls at early childhood services at 1 July 1997.	151
15: Change in early childhood enrolment (1990-1997).	151
16: Change in the number of early childhood services 1990 – 1997.	152
17: Number of enrolments by type of centre.	152
18: Glossary of terms.	158
19: Annual salaries across the education sector.	163
20: Childcare centre fees.	165
21: Interviewee code numbers	166

Table of Figures

1: Research Process used for this research.	41
2: A materialistic conception of the policy text.	42
3: Progress of policy text.	64
4: Change in centre roll size in Kindergarten, Playcentre and Childcare centres.	73
5: Auckland and Wellington teacher vacancies, actual numbers.	74
6: Teacher vacancies in Auckland and Wellington Associations with Auckland vacancies divided by two for comparison.	75
7: Changes in rates of pay, 1997 to 1998 (Gross annual salary in dollars).	75
8: Increases in Kindergarten, Playcentre and Childcare Centre enrolments.	79
9: Total number of Kindergartens, Playcentres and Childcare Centres.	79
10: Changes in enrolments by type of service.	80
11: Employment status of mothers of children under five.	81
12: Employment status of Pacific Island mothers of children under five.	82
13: The policy making process.	147
14: Income of childcare workers, 1996	149
15: Income of Early Childhood Teachers and Te Kohanga Reo Teachers, 1996	149
16: Income of Primary school teachers, 1996	150
17: Income of Secondary school teachers, 1996	150

Chapter 1 Introduction

Government funding is a major concern for people working in early childhood education and for parents whose children attend early childhood centres. Changes in this area have major implications for the continued existence of centres and their ability to maintain their philosophic stance. Parents' ability to continue in employment or to be supported in their role as parents can be dramatically affected by changes in government support for early childhood education centres.

Aims of This Study

The aims of this study are to research and investigate the issues and facts behind the 5% increase in the bulk funding that was given to early childhood education services in the 1997 budget. It is hoped that this will make a contribution to informing the practice of early childhood education policy makers, practitioners and parents in the area of funding and economic policy. The researcher hopes to raise the consciousness of those being researched and encourage dialectic interaction and reflection.

In planning and designing this study the researcher was guided by the following intentions:

- To analyse the reasoning behind the government decision to increase State spending in the early childhood area in the 1997 budget.
- To examine the processes between the inception of early childhood education policy and the eventual results.
- To examine the outcomes of the increased funding.
- To contribute to current research and debate on social policy implementation.
- To apply the concepts of social policy analysis to the field of early childhood education.
- To raise awareness among stakeholders of the decision making process in relation to the use of state funding.

This research in a small measure attempts to examine the similarities and differences between the political rhetoric and the results for early childhood education.

What is the Problem?

Accessing income has been a major concern for early childhood education providers for many years.

Funding is a major issue in the early childhood education sector. ECDU said that it can be a struggle for early childhood services to make ends meet. Community-based organisations, which are run by parents, often struggle to the point of collapse (The Education and Science Select Committee, 1998 page 200).

Debates about restricting growth of social expenditure have become fairly universal. There has been an increased public questioning of welfare spending and a growing interest in the “user pays” principle. Offe discusses that the questioning of the Welfare State is inevitable given demographic, employment and labour market developments. People are no longer accepting the rightness and truth of throwing money at problems. People are now questioning the ability of the State to apply effective strategies that address the root causes of socio-economic problems (Offe, 1996).

The financial and regulatory involvement of the State in the care and education of children under five has slowly increased particularly over the past fifty years in New Zealand. However, the decade since 1988 has seen a real questioning of the assumption that this is an area of social policy the government ought to be involved with. Early childhood education caught up with the rest of education sufficiently to be included in the restructuring of the late eighties (Tomorrow’s Schools and Before Five). Since the introduction of these reforms early childhood education has faced constant questioning of its purpose and value.

The philosophy of parent and community responsibility rather than State control and regulation is becoming more evident. National Governments have indicated their focus by implementing policy on parent education (Parents as First Teachers). They stated two major aims for early childhood education in 1993, these were to:

- ensure quality services were available to all children
- provide support for parents to become more confident in their parenting role (The National Party, 1993).

They have consistently focused on devolving responsibility for management to centres and schools. This has been achieved by promoting bulk funding in schools and withdrawing kindergartens from the State Sector.

Most New Zealand children begin their formal education before primary school. Early childhood education is available to children under six years of age through a wide range of services, most of which are administered by voluntary agencies with government assistance (Ministry of Education, 1992).

The interest behind this study is the national, and international, preoccupation with the fiscal relationship between the State and early childhood centres. This has been a relatively brief relationship in New Zealand with Government having little interest in consistently financing early childhood education until after the Second World War and the publication of the Bailey report (NZ Consultative Committee on Pre-School Education, 1947).

The significance of this study is that it considers two current national issues:

- value for money, in that services have to be accountable,
- and the debate about public or private good which includes a consideration of the market philosophy.

What is being purchased? - Value for money

The first issue is the question of the State receiving value for money. There is a concern in social policy design that there should be measurable outcomes for investment of public money to ensure that provision is economic, effective and efficient.

We need to decide what responsibilities the taxpayer should pick up by funding programmes which will make a difference (Department of Social Welfare, 1998 page 10).

The time lag between investment and results makes early childhood education an unpopular area for politicians to focus their efforts. They cannot easily claim between one election and the next to have produced tangible results in outcomes for the children, their families or the economic well-being of society.

Mark Leonard discusses this phenomenon in an article in the New Statesman and suggests that the Government in Britain should report on their pledges and the progress towards fulfilling them.

The fear of failure becomes an excuse for inaction, people become convinced that nothing will change. The challenge is to find ways of measuring progress however incremental (Leonard M, 1998 page 18).

Value for money also relates to the vexed question of quality. Each parent, teacher and centre supervisor will be trying to ensure that they do their best for the children in their care; but whose responsibility is it to ensure quality nationally? When Professor Tony

Townsend spoke on his assessment of Australian education reforms, he reported that the phenomenon of self-managing schools had resulted in a wider spread of achievement, in that the good have become better and the poor worse (Townsend T., 1998).

Who should pay? - Public or Private Good?

The second issue is one that has been prominent in almost all debates, conferences and studies about early childhood education: who should be responsible for funding early childhood education, the parents or the state?

The Bailey Report in 1947 recommended that pre-school education was too valuable to be left to volunteers, the service should be expanded and that “the major, if not the whole cost of the system, would have to be derived from public funds” (NZ Consultative Committee on Pre-School Education, 1947 page 17). This has not been achieved and given the conservative attitude to increased state spending, it now seems unlikely. Nevertheless at every conference where a politician is invited to speak to teachers, parents or managers he or she is invariably asked questions about the lack of sufficient funding. The Right Honourable Winston Peters speaking recently at an early childhood education conference congratulated himself on achieving pay parity for primary school teachers. Some groups are still hopeful of achieving parity for teachers in early childhood education.

The goal is for early childhood education services to be universally funded on an equitable basis with schools sector by the year 2000 (The Early Childhood Education Project, 1996).

This would require substantial increase in funding and would affirm that the government believed that early childhood education was a public good in the same way the the school sector is. It is generally accepted that investing in the youth of a society is no bad idea. This is one area where the government of New Zealand is insistent that it has increased spending. The growth in the number of early childhood education and care places available to children in the past six years has created a new “industry” (118,000 places in 1990 to 164,000 in 1997 - a 39% increase, see Appendix 4.) There are figures available to back politician’s assertions about spending. Not only has there been a growth in the number of funded child places but in the 1996, 1997 and 1998 budgets, there were increases in the amount of money spent on each child session.

This second area of issue deals with the questions of affordability and access which inevitably cover concerns about equity for those on low incomes or the groups who have traditionally failed to take up the opportunity of early childhood education.

Given the Governments stance toward State funding of early childhood education I was surprised at the 1997 budget announcement and interested in investigating the justification behind the 5% increase.

Templates for Policy Analysis Design

To study this area this thesis uses two templates. The first arises from an examination of government policy papers and looks at **quality, affordability and access**. This is the catch phrase in many policy documents both in New Zealand and overseas. These are the areas where the Government focuses its attention to measure the effectiveness of investment.

The second arises from examination of policy analysis methodology. John Codd's model, described in Chapter 4 of this research, illustrates a positivistic approach rather than one which is more hermeneutical and critical. This policy analysis model considers **the context of the construction of policy, the policy text and the context of interpretation**. The people who construct or influence the construction of policy have differing political and personal agendas on education. Bulk funding to early childhood education is a grant in aid: there are no instructions about the spending of the money other than that services must be able to account for it. The people involved in early childhood services must understand and interpret the policy text (Peters M. and Marshall J., 1993). To analyse, understand and possibly influence policy, I believe that it is important to have a grasp of the whole process from inception to implementation and to understand the viewpoints of stakeholders at all levels.

These two templates were used in the design of the research methods and the presentation of results.

Outline of This Study

A brief summary of the purpose and content of each chapter follows. Chapter 2 discusses some of the literature available on early childhood education policy. In Chapter 3 the background, theoretical stance and justification for the study are discussed. Chapter 4 outlines the research methods used to design the study and analyse the results.

Chapter 5 provides an in-depth analysis of the policy development including the background of those involved in the inception and promulgation of the policy. It uses the policy construction, text and interpretation template. Chapter 6 gives the results of research into the policy text going back as far as the major political party manifestos.

Chapter 7 presents an in-depth analysis of interviews with a selection of individuals from stakeholder groups, seeking a deeper understanding of their interpretation of bulk funding policy and their understanding of the policy text and the context. It examines each question in the interview using the quality, affordability and access template. The results of the policy analysis research are summarised in Chapter 8 and conclusions are drawn. Chapter 9 looks at implications for the future of government funding in early childhood education.

Chapter 2 Review of the Literature

Introduction

This chapter summarises the results of a search of the literature available on early childhood education policy in New Zealand and overseas. It includes studies on education, social policy, funding issues, policy analysis and changes in political direction. This literature research involved investigation of published books, conference proceedings, media articles and unpublished papers.

There is a limited amount written about early childhood education policy in New Zealand. The compulsory sector receives more attention and more policy analysis. In this review of the literature, I will examine discussions of education policy in general, as many principles also apply to early childhood education. In some ways early childhood education is the forerunner of changes in policy in other sectors as it is easier for government to change policy in this smaller, non-compulsory sector and then use early childhood education to illustrate that schemes such as bulk funding work. The examination of the literature set the context for this thesis by identifying the historical development of early childhood education funding policy and by examining the current economic and political context.

Education Policy Analysis

This thesis makes extensive use of the “materialist conception of social policy text” (Codd J., 1995) discussed by Codd in his work on the process of interpretation of policy text. He talks about the importance of understanding the view points of “stakeholders”. The development of the concept of stakeholders is discussed by Reimers and McGinn (Reimers F. and McGinn N., 1997 page 56 to 58). It was first used in the world of business strategic management and planning and has been used substantially in education policy analysis since 1970. The rationale for involving interest groups in process and outcomes of policy is that if these groups understand the objectives and constraints it heightens the legitimacy of the final policy. However to be able to inform and include stakeholders one must first know who they are and what their interest in the policy is.

Stakeholders are persons or groups with a common interest in a particular action, its consequences and who is affected by it. All actors in an institutional context are potential or passive stakeholders (Reimers F. and McGinn N., 1997 page 60).

A pragmatic point of view would be that involving stakeholders in planning and decision making increases the likelihood of successful action. Reimers and McGinn discuss the difficulty Ministry of Education has in a complex and changing environment where stakeholder groups do not remain static. These authors also say that to understand how stakeholders face policy issues one must learn about their attitudes, motives, interests, past experience and expectations. This describes, in part, the methodology behind this research.

Development of early childhood education

There is a dearth of historical accounts of childhood practices and policies. This has been blamed on the lack of serious study of childhood in the past (de Mause L., 1976). Study in this area would assist the construction of a scientific history of human nature which was envisioned by John Stuart Mill.

This lack of historic account is still evident in early childhood education as there are many more studies available on primary, secondary and tertiary education than early childhood. These very terms indicate the position of early childhood education. The term “primary” indicates the first. Using these terms early childhood education is not acknowledged as being the first step in education. It is only relatively recently that sector has been referred to as early childhood education rather than “pre-school”.

Linda Mitchell studied early childhood education policies and practices in Denmark, Sweden and within the European Union (Mitchell L., 1998 page 12). She reported on researchers who concluded that there was a lack of statistical information about children. She points out that groups cannot be visible until there has been some effort to gather information about them. Childhood policy is usually seen as fitting into women’s policy or family policy rather than having a political arena in its own right.

Helen May has written an account on the history of the development of services for the care and education of very young children in New Zealand. This book covers the years from the mid-eighteenth century in Europe to the mid-twentieth century in New Zealand (May, 1997). It provides a factual account of the gradual development of services including the philosophic and theoretical base. May concludes with a “post-war postscript” which points out that it took 200 years for society to realise that children’s development and learning outside the home was of value to the community. She is going

to publish a second book which will cover the years from 1940 to the present day and will include accounts of recent funding policy changes.

“Scholars or Dollars?” studies the history of education in New Zealand and includes a chapter on early childhood education (McKenzie D. et al., 1996). It looks at the relationship between money and education. Despite the book’s title the chapter on early childhood education describes rather than analyses the investment of public funds in early childhood education.

The authors close the chapter with a quote from Geraldine McDonald who sees the excluding of pre-school education from mainstream education as reflecting society’s definition of what is appropriate for young children. She sees this as including middle-class ideals about child rearing and the role of women. The authors also reflect that the Government’s *Parents as First Teachers* initiative provides another illustration of this attitude (McKenzie D. et al., 1996).

New Zealand Government

The Treasury Briefing Papers to the incoming government published in 1987 identified a number of principles and issues related to education and its relationship to the state. Education was seen to fulfil a variety of functions; economic, custodial, fulfilment of the individual and integration of the individual into the community and society. Education has costs and benefits to the individual, the parent, the community, society and the providers. The Briefing papers succinctly identify issues as being: who pays, who chooses, who benefits and who is accountable. The difficulty with State investment in education is the long time-delay between investment and return (The Treasury, 1987 pages 134-136).

In 1994 many individuals involved with early childhood education were invited to attend a conference called “Speaking Directly”, hosted by the Ministry of Education. The aim of the conference was to provide a briefing to the Government. Its purpose was to:

- agree the main priorities
- identify criteria for good policy
- impress these upon the Government.

Agenda items were determined by consultation before the conference and included making “wise funding decisions, participation (covering accessibility, affordability and choice) and higher quality” (Ministry of Education, 1994 page 3).

The early childhood education sector had the opportunity to express concerns at this conference. Many of these concerns remain today. The conference agreed that there should be staged a funding policy which was known to providers. This would help them to plan. There should be funding available to upgrade quality including a separation of minimum standards and higher quality standards. Funding should be contingent on quality. It was recommended that there be tagged additional funding to meet equity needs. It was also agreed that every child should have right to access a good quality service regardless of their ability to pay. The conference believed that it had consensus on quality issues and wanted funding at a level which allowed high quality to be achieved and to be secured.

Definitions of quality

The participants in the “Speaking Directly” conference said:

We know what good quality is, on the basis of research and experience. Quality not only covers matters relating to such things as ratios, group size, staff development and trained staff, but it also involves meaningful interactions between adults (Ministry of Education, 1994 page 23).

They also recommended that they develop a strategic document which articulated the definition of quality and which could be applied to the entire sector.

In Dr Anne Meade’s discussion paper “Early Childhood Qualifications and Regulations Project” (Meade A., 1998) she divides definitions of high quality early childhood education into two categories: structural variables and process variables.

- Structural variables include: child-centred planned educational programmes, high staff/child ratios, trained staff, ongoing in-service training and support, stability in staff and children, small group sizes, active democratic parental participation and language maintenance and cultural revival.
- Process variables focus on teacher practice. Teachers should demonstrate responsiveness, respectfulness and reciprocity. Adult interactions show that teachers encourage and extend exploration and encourage elaborate discussions and conversations.

In 1994, Peter Moss and Alan Pence edited a book named “Valuing Quality in Early Childhood Services” which examined definitions of quality in early childhood education in many different countries including New Zealand (Moss P. and Pence A., 1994). Peter Moss introduces the book by stating that quality in early childhood education services is

a relative concept and that its definition reflects the values, beliefs, needs, agendas, influences and empowerment of various “stakeholder” groups. Moss asks the question:

How can researchers studying quality take account of the relative nature of quality and introduce a reflective awareness of self into the research process (page 7)?

In my research I did this by deciding not to give participants a definition of quality but to accept their narratives with whatever definitions they presented. Most groups appeared to have reflected on quality and did question themselves on the components of quality throughout the interview process.

Smith and Farquhar questioned the value of centres establishing their own quality criteria which would be written in their charters (Smith A., 1994 page 137). They felt that Government had withdrawn from trying to maintain high quality, leaving it up to parents to choose quality and reward it. They doubted the ability of all parents to recognise quality, suggesting that only the parents with the most financial and educational resources would recognise and choose the best quality centres.

Information about how to recognise quality is becoming more accessible to parents. Five years ago there was very little. The local Citizens Advice Bureau would give parents a list of centres but little guidance. Now the ECD office can send parents a booklet called “Quality in Early Childhood Education”. It gives a list of quality indicators and describes how to recognise quality. The list covers mostly structural variables but does tell parents how to identify responsive adult to child relationships and interactions (Early Childhood Development Unit, 1996 page 10).

Information on quality is available to parents through the Internet, 0800 yellow pages numbers and occasionally in magazines (Consumer Magazine, December 1998). These information services identify indicators as being staff qualifications, stable staffing, adult/child ratios, a planned programme and positive adult to child interactions.

There is a growing focus on process variables. One of the purposes of “Evaluating Early Childhood Programmes using Te Whaariki” was to identify the key elements of programme quality in relation to the strands and goals of Te Whaariki (Podmore V. and May H. with Mara D., 1998). The aim was not to give definitions of quality centres but to provide insight into quality programmes. I do not believe that it is possible to separate quality programmes from quality centres. The model used acknowledged national values about children and the structural context of centre quality. Nested inside this was the assessment and evaluation cycle which used “learning and teaching stories” to evaluate

programme quality. The summary confirmed that teachers reflecting on their own practice and using the “child’s voice” to evaluate the programme from the child’s perspective would provide the focus of evaluation and assessment practice.

Pam Cubey and Carmen Dalli listed a survey of literature available on early childhood programmes. This provided a valuable list for researchers who wish to investigate quality in early childhood education (Cubey P. and Dalli C., 1996).

Policy analysis of early childhood policy in New Zealand

There is a tendency among some practitioners to be suspicious of New Right ideology in early childhood education.

Claire Davidson, in her occasional paper, “The Sinking of the Early Childhood Education Flagship” shows concern about the Government’s plan to privatise kindergartens which she sees as being a New Right agenda. Kindergartens in New Zealand have been viewed historically as the flagship for government support of the early childhood sector. Various pieces of legislation introduced since 1990 seem to indicate a determination on government’s part to sink this ship. Her paper gives a summary of the political, economic and educational events leading up to the current position of kindergartens (as of the end of 1996). The conclusion being that a New Right ideology espoused by government over the last decade has been behind moves to change the operation of kindergartens and change the relationship between the State and kindergartens. Davidson refers to the 1987 Treasury Briefing papers provided to the incoming government which she says identify the Treasury’s stance that early childhood education is a private good which should be paid for by parents with targeted assistance for certain groups. Gradual withdrawal of the state from direct involvement with kindergartens is seen by government as promoting equity within the sector. The principle of market regulation of quality, supply and demand is supported. Davidson concludes that kindergarten survives through the tenacity of the kindergarten community despite the lack of government support for the aims and philosophy of the movement. She believes that the aim of successive governments has been to “privatise” kindergartens. The postscript referring to the withdrawal of kindergartens from the State Sector would seem to confirm this conclusion. Any critical analysis of social policy would seem to benefit from arguments from opposing points of view. There is a general overtone of Davidson’s paper is that the New Right ideology is a bad thing. There is no analysis of why New Right

philosophy had “become accepted rhetoric”. As well as quoting from Jane Kelsey the author might have quoted from supporters of the New Right such as David Green (Green D., 1996).

Green provides some examples of New Right social policy analysis. It is easy to find fault with Green’s arguments and Davidson would have made her case stronger if she had argued for and against the New Right.

Quotes from the Treasury papers and other government documents are selective with the author using only those bits that support her arguments. For example she quotes the Bailey report (1947) as designating “childcare” as being services for the disadvantaged, while others were designated as “education”. The report refers to “all-day nursery schools”. It does not recommend that there be any general development of these institutes at that time. The reasons given are that children are better to spend most of their time at home, rather than any comment on the lack of educational function of day nurseries. It does however say that residential nurseries should make proper provision for social and educational activities. The report also refused to support community-centre pre-school services not because they were childcare but because they were not in buildings designed for children.

The Treasury Briefing paper, Government Management 11, (The Treasury, 1987) Chapter Three includes a substantial section on early childhood education services. Davidson pulls out some generalised conclusions such as:

Parents as the prime beneficiaries of early childhood care and education should meet the costs of the services, rather than the State.

There appear to be some statements in the Treasury papers which contradict this:

State provision on a fully or partially subsidised basis could be considered as means of meeting equity objectives (The Treasury, 1987 page 61).

The report identifies that middle-class families benefit most from the most subsidised programme (kindergarten) but it does not suggest that parents bear the cost. It recommends realistic assessment of public and private benefit through longitudinal research programmes (page 78).

Davidson referred to “user satisfaction with the service”. There have been surveys done by the National Research Bureau and others (National Research Bureau, 1993). However this does not offer the answer to why some kindergartens have closed down and some have waiting lists so short that they are contemplating taking children under three.

The failure to provide a counter-balance to the arguments given, leaves the report in the same position as the North and South magazine article “Kindy Surprise, Is the Government Killing our Kindergartens?” (August 1997). This article, too, uses selective information in saying that kindergarten teachers are being lured out of Association employment into the higher paying private sector, ignoring the other reasons which cause kindergarten teachers to leave.

There seems to be a fondness for emotive titles when writers choose to study government policy on early childhood education:

- Claire Davidson’s “The Sinking of the Early Childhood Education Flagship”
- Carmen Dalli’s “Is Cinderella Back Among the Cinders?”
- Parent and School magazine article of December 1996 “Pre-school ‘Poor Cousin’ Battles On”
- Nicola Legat in North and South, “Kindy Surprise, Is the Government Killing our Kindergartens?”

There are others who write about education from a more critical stance which is more in line with postmodern philosophy of resisting an acceptance of the status quo as being correct. We need to question what exists rigorously. There is a temptation to accept reality as truth.

One of the oldest urges in Western philosophy is to think that somehow truth and reality should coincide - truth would provide an exact mirror of reality (Searle J. R., 1995).

Is this not the case in kindergartens: “We exist therefore we are the truth in early childhood education”? Government seems unimpressed by practitioners seeking to defend their status quo. Reports such as “Future Directions” are dismissed by politicians (Early Childhood Education Project, 1996).

We have looked at that and analysed it, but it has to be recognised that it is not an official report on behalf of the Government, it is simply a report made on behalf of certain vested-interest groups in the early childhood sector Hon. Brian Donnelly (Hansard, 1997).

Many people are suspicious of teachers defending their positions. In her book “Great Lies we Live By” Stephanie Burns comments:

I recognise that those who maintain the system are products of the system. There are hard questions to ask but they are not criticism for the sake of criticism - they are explorations for the future (Burns S., 1993).

Kindergarten teachers and those supporting the continued existence of kindergartens have to do more than criticise the fact that government is seeking to change kindergartens. They have to prove that kindergartens are providing a quality service which parents want. It is not sufficient to say that kindergarten has been around for 100 years therefore it should continue.

Kindergarten supporters also have to take into account that some other providers are doing a good job. There is a tendency to confuse “privatise” with “profit-making” and to some educationalists it seems improper for individuals to make profit out of the care and education of young children. Brian Donnelly points out that kindergartens have been privatised for a long time in that they are not owned or governed by the State but by trusts, as are many community-based early childhood education centres. Most early childhood education service providers in New Zealand fall into the not-for-profit group. The privately owned, for-profit centre is still in the minority both in the number of centres and the number of child-hours purchased (see to Appendix 4).

The combatants in this debate seem to be using different definitions for “privatised”. Donnelly is using the term for any organisation which is not State owned. Davidson is suggesting that kindergartens are “privatised” if the government has no direct financial responsibility in their employment negotiations. She says that the Government is encouraging kindergartens to operate “like other fee-charging, private services” (Davidson C., 1997 page 165). It is debatable whether community-owned services could be called “private”. It is probably more useful to differentiate between **for-profit** and **not-for-profit** services.

“The Sinking of the Early Childhood Education Flagship” provides a useful summary of events and policy changes but damages its argument by the selective use of evidence. It also missed some points which would make the argument stronger, for example, the failure of the Houghton and Wilson Study (Wilson A. et al., 1996) to address the financial problems experienced by the Auckland Kindergarten Association. It also failed to address a flaw in the suggestion that kindergartens could charge fees but not disadvantage poorer families, who could apply for Childcare Subsidy. Childcare Subsidy at the moment restricts families to nine hours per week of early childhood education unless the primary caregiver is in recognised employment or education. This would cause major problems for parents wishing to use kindergartens who offer five morning sessions per week.

Kindergartens have a long tradition of facing adversity from governments. Even Friedrich Froebel, the founder of kindergarten faced opposition from that quarter.

In 1851 the Prussian court issued a decree forbidding the teaching of kindergarten and the establishment of any public kindergarten. Froebel faced interference and even hostility where he so recently had developed genuine support. Education of the people was considered the most dangerous weapon in the hands of the revolution and kindergarten espoused the universal, harmonious interrelation of all men. The ministers of that time feared the radical tendencies of education (Brosterman N., 1997).

Part of the kindergarten philosophy is certainly to provide free education to all irrespective of the parents' ability to pay. The lack of government funding does threaten this, but the rest of the philosophy espoused by Froebel should see kindergarten through. The child's need for physical movement, to develop dexterity, to be creative, to know, to cultivate, to sing, to live in society and to find the reason behind things, are all part of the kindergarten philosophy (Jacobs J.F., 1859). If kindergartens continue to provide this they will continue to exist as they have done since the middle of last century.

Education Policy Directions

Examination of Social Policy relating to early childhood education is being undertaken in many countries and by many different stakeholder groups. George Walden, a British Labour M.P., examined the haphazard way social policy was applied to early childhood education in Britain in his book "We Should Know Better".

At the end of the twentieth century we are still arguing about whether or not early learning should be a priority, whether we can afford it, and how it should be done (Walden G., 1996 page 116).

Walden identifies that early childhood education is seen as being a necessity in other countries but a luxury in Britain. He is scathing about the standard of state nursery education in Britain. He describes how those can afford it pay to send their children to private educational institutes because the State equivalents are so poor. The voucher system gave middle income parents enough money to allow them to remove their children from the State system and enrol them in private nurseries.

The bigger the private sector grows the less incentive there will be for the powerful and affluent to take an interest in the quality of state provision (page 121).

Walden shows his frustration at the Government's failure to invest in an area where the benefits would be guaranteed and immediate. He estimated the cost of introducing a full-scale system of nursery education, for three to five year olds, as costing in order of 500 million pounds (Walden G., 1996).

New right perspectives

Interest in education is widespread and is one of the areas studied by the business sector. It is useful to examine some of the documents on education published by the business sector as they show the ideological background against which early childhood education policy is being developed. The New Zealand Business Roundtable has an education forum and organises statements, lectures and books in this area. Professor Richard Epstein was invited to give his views on “The Role of the State in Education” in December 1995.

In his introduction to Professor Epstein, Douglas Myers stated that:

There is no topic that is more important in the current work programme of the Business Roundtable.

Epstein points out that parents have control of the early years and questions why this should not continue. The answer is that parents might have difficulty financing education. If parents are not available to take responsibility for children someone must step in. Epstein says that this need not be the State, charities used to do the job much better (Epstein R. A., 1995).

The decline of the charitable sector is one of the regrettable by-products of the socialisation of education (page 12).

He said that the private education systems in the United States of America at least resist legislation and succeed in educating children at a fraction of the cost of public education systems. Epstein states the case for public involvement in the education system citing three arguments:

- Some parents might fail to provide for their children adequately thus there needs to be public involvement to ensure reasonable equality of opportunity.
- Democracy requires some equalisation of input.
- Redistribution of wealth can occur. (Epstein debates that this happens now when rich parents remove their children from public schools).

Epstein argues that the State has gone too far to meet these goals and has created a state monopoly where choice to parents and children is limited. He sees a decline in standards of education over the last thirty years. Another negative feature of State education is that it lends itself to being unionised by having a single purchaser of labour. Epstein sees this as being detrimental as it raises costs but not standards. Epstein examines voucher systems and the notion of privatising public schools. Running schools as ordinary

businesses would allow them to respond to markets. “By privatisation I mean no government involvement whatsoever” (page 34).

The Business Roundtable expresses views on tertiary education which would apply equally well to early childhood education. Roger Kerr, the Executive Director of the Business Roundtable expressed the view that the private sector could lead the way in innovation and effectiveness (Kerr R., 1998). In his view education paid for by the state and provided by publicly funded Tertiary Education Institutes (TEIs) is inferior to that provided by Private Training Establishments (PTEs) and paid for by the consumer. He says that private providers who face competition for revenue have to provide better quality information about their results. Kerr supposes that people who have to pay for a service out of their own pocket will make better choices. Students who pay a low proportion of the cost of tertiary education will spend less time and money making informed decisions. He suggests that equity be preserved by the provision of scholarships and loans rather than universal entitlement.

Kerr does not back up his views from research but makes generalised comments which ignore facts such as PTEs going into receivership and leaving students as unsecured debtors. His recommendation was for better funding arrangements (more equitable with TEIs) for PTEs. This is also the claim of private early childhood education providers who “continue to push for equal rights for our centres both in funding and recognition” (Thorne S., 1996).

Communitarian perspective

Mark Olssen discusses the “priority of the good over individual rights or utilities and the recognition of the social nature of the self” (Olssen, 1997 page 404). Olssen challenges the primacy of “choice” saying that under a communitarian perspective private goods such as freedom depend on state provision and institutional support. Free-market exchanges will not produce liberty for all. Collective action is required to protect the provision of the goods to ensure that they are available to all members of society. It is my belief that total free-market principles applied to early childhood education services will not provide equal choice of quality services to those people who cannot afford to pay for them.

Human capital theory

Fitzsimons explains the nature of the relationship between Government education policies which promote participation in tertiary education as a public good as it increases economic productivity while at the same time portraying it as a private good which students should pay for (Fitzsimons P., 1997 page 108).

This theory underlies early childhood education policy as much as tertiary. The Government identified the benefits to society of investing in early childhood education in a report submitted in 1991 the “Early Childhood Care and Education Funding Review” (Early Childhood Care and Education Working Group, 1991). This review identified that four public benefits arose from the participation of young children in early childhood education:

- educational benefits, in that children, particularly those from disadvantaged families, have enhanced educational and social outcomes
- labour market benefits, as caregivers can be eased into the workforce while early childhood services provide employment opportunities and reduce welfare dependency
- welfare benefits, as children would benefit from safe care if they live in “at-risk” situations (Parenting skills would also be promoted)
- language and cultural benefits, which would lead to better educational and social outcomes for members of those communities.

All these benefits are seen in terms of the child’s current and future value to the state, the aim being to ensure that the individual is an economic asset not a liability. The Education Review Office uses the four benefits to society to identify the success or otherwise of early childhood education provider groups. In a series of reports “What Counts as Quality in (Kindergarten, Childcare, and Kohanga Reo)” the ERO finds that kindergarten falls down on benefiting the *labour market*. ERO suggests that kindergarten diversify its services to meet changing client need (Education Review Office, 1997). Childcare does well on meeting three social benefits but receives a guarded comment on whether it provides *educational benefits* as government does not exercise sufficient control over quality (Education Review Office, 1996). Although early childhood education benefits society it is still seen as a private good for which parents should pay. Kindergartens are encouraged to charge fees to increase their income (Perris L., 1995).

Recommendations from research

There are a number of recent reports from research in New Zealand which make recommendation for policy. I looked for common features in a selection of these reports.

Policies should be developed which ensure that funding which goes into centres is channelled into elements which contribute to quality.

There should be increases in:

- salaries and improve working conditions for teachers
- numbers of trained staff

and improvements in:

- staff retention in centres
- parents' understanding of the quality variables (Smith A., 1995 page 65).

There is an association between children's learning opportunities and the income and educational resources of their parents (with children in lower income situations having limited learning opportunities). Parents on low incomes elect to send their children to an early childhood education centre where choice is not inhibited by cost. Kindergarten showed a higher level of key quality indicators in terms of staff qualifications and salary levels. Any increase in cost to parents could render access to early childhood education of a reasonable quality unaffordable to low-income families. Government funding is important (Lythe C, 1997 page 64)

There needs to be public consultation and involvement in policy development. New Zealand should collaborate and exchange information with other countries. National policy needs to be based on sound information collected about all children. Access to good and appropriate early childhood education should be a right for all children. Government legislation, funding and policy needs to support the structural features which are associated with quality: that teachers are well trained and have the conditions which support their development as reflective practitioners (Mitchell L., 1998 pages 44-48).

New Zealand Council for Educational Research has been involved in a longitudinal study of families and early education. The report on five year olds (Wylie C. Thompson J. and Kerslake Hendricks A., 1996 page 142-5) had the following findings. Parents should have a better understanding of what constitutes quality in early childhood education. There should be no increase in cost to parents which could limit access to

children from low-income families. It should be taken into account that staff salary and staff ratios are clearly associated with quality. Since early childhood education centre quality is associated with children's competency levels, any decrease in quality of the centres attended by low-income families will widen the gap between children from low-income families and other families.

The results of this study warn against making parental choice, parental ability to pay, or the provision of one particular kind of early childhood service the decisive voices in early childhood education policy (page 145).

The report on six year olds (Wylie C. and Thompson J., 1998 page 118) also had recommendations for policy. Policy should aim to keep the social mix of early childhood education centres as broad as possible. It should provide more support to early childhood education centres serving low-income communities. It should improve staff/child ratios, ensure that all early childhood education staff are well trained and provide more resources.

Projects which focus on programme evaluation also have implications for policy. The report "Evaluating Early Childhood Programmes Using Te Whaariki" said that focusing on the "child's voice" was consistent with current understanding of early childhood centre quality (Podmore V. and May H. with Mara D., 1998 page 123). While the report makes no direct recommendation for policy, I believe that the assessment and evaluation practices studied would require qualified teachers who were capable of reflective practice and who had the time to embark on this programme.

Summary of policy recommendations

The major common policy recommendations emerging from these research reports can be summarised as follows:

1. structural variables contributing to quality, including staff training and staff/child ratios, should be supported by government funding
2. services should be more accountable in providing these structural variables
3. parents be made more aware of quality variables
4. parents and community should be consulted on policy
5. qualified teachers should be available and should have good working conditions which allow reflective practice
6. cost to parents, particularly those on low income, should not be a barrier to access
7. services in low-income communities should be developed
8. policy should be influenced by research
9. New Zealand should collaborate with other countries on early childhood education policy development.

It is interesting that one of the first lengthy studies of early childhood education in New Zealand had similar recommendations (Barney D., 1975 pages 280-283). The Government seems to have consistently ignored this advice.

Barney recommended that:

- Quality should not be sacrificed to quantity.
- Efforts should be made to provide centres in low socio-economic areas.
- Government should fund programmes to educate parents about the benefits of pre-school.
- Research should underpin policy rather than have services develop in a haphazard fashion.

Chapter 3 Theory and Background

Introduction

This chapter will examine the researcher's theoretical stance, the issue of funding in early childhood education and examine the history of social policy in early childhood education. The researcher aims to examine the effects of financial management reform in the early childhood education sector.

Theoretical Stance

Roger Dale (1989) identifies three approaches to the sociology of education.

1. The structural-functional approach looks at the contribution of education to the economy.
2. The "new" sociology of education concentrates on the context of schooling: how concepts of reality are constructed in the classroom.
3. The political economy approach looks at the constructions of power and the needs of the capitalist system (Dale R., 1989).

Dale cautions us not to ignore political questions and focus too intently on the administration: the machinery. The provision of early childhood education seems a long way removed from the maintenance of a capitalist state, but Dale challenges us to see that problems facing education systems are the problems of the capitalist state. There is a risk of ignoring the impact of early childhood education, seeing teachers as being a group of "nice ladies" who are fond of children and regarding early childhood education as having little consequence for the State.

In the last century, early childhood education was provided by benevolent bourgeois individuals and organisations that had a desire to save the children of the poor from a life of irresponsibility. The relationship between early childhood education and the economy was openly stated.

For the ordinary family ill health and instability mean unemployableness.

The destiny of the race is in the hands of its mothers (King, 1937).

These views are being stated in the 1990s although not everyone accepts the inevitability of poverty affecting educational outcomes. There are educationalists who feel that personal effort can overcome poverty.

In a book edited by Harvey Mc Queen about the changes in education, Phil Raffills seems to believe that sufficient effort on the part of student, school and teachers can overcome economic disadvantages. Raffills is a secondary school principal who has contributed to the Business Roundtable Education Forum, stood for the National Party in the 1996 election campaign and has expressed the desire to be Minister for Education (personal communication). His views illustrate a neo-liberal stance where individual responsibility and personal effort are seen to be the key to academic achievement.

I refuse to acknowledge that socio-economic status is a hindrance to achievement in education.

If this county is going to succeed, its people have to be educated (Raffills P., 1994).

The relationship between the economy and early childhood education is sometimes obvious. The capitalist system is maintained by enabling women to join the work force thus encouraging economic growth. The care of children is seen as being the responsibility of their families. The State may be required to assist them by educating them for the role or to punish them for failing in their duties. Recently the provision of childcare has been raised as a human rights issue in that women's ability to be involved in employment is dependent on their access to care for children. Feminist groups ask that the State provides care directly, funds it adequately or legislates to force employers to provide for their employees through Equal Employment Opportunity policies (MacDonald C., 1993 page 174). Statistics still show that women are much less likely to be in the labour force than men: 74% of men are likely to be in employment compared with 55% of women (Statistics New Zealand, 1997).

In "Deschooling Society" Ivan Illich questions that education is necessarily a good thing. He proposes that "radical monopoly" has deprived people of their personal ability to meet personal needs and made them dependent on organised institutional services. Illich suggests that people are being educated to be better consumers not better citizens or even producers (Illich I., 1971). It is interesting to consider education in this light. It is assumed that education is a basic right of all children. For most children it is assumed that unless they are in an institutionalised service they are not being educated. The need has passed from "learning" to "having an education" and in whose interests is this: the child's, the parents', the education industry's or society's? As a parent educating my children under five in my own home I was of no interest to the state but when I became supervisor of an early childhood education centre and my children came with me, we become an economic unit and I received money from the state for educating them.

Marilyn Waring discusses the invisibility of women's work that does not show up on a nation's balance sheet as no money changes hands. "Institutional childcare would be a service", but childcare which is part of a mother's daily tasks is not an economic activity and has no market value (Waring M., 1988).

A Critical Approach

Critical social science was developed, in part, from the work of Karl Marx (Sarontakos, 1993). It is a perspective that takes into account a conflict theory of society. Many social policy researchers believe that social policy is not neutral but is influenced by the philosophical positions of those who control social policy. Leonie Pihama examines PAFT's (Parents as First Teachers) objectives as being one of social control, aiming to reduce dependence on the welfare state (Olssen M. et al, 1997).

Critical social science accepts that society is full of tensions and contradictions. Certain groups are oppressed and exploited and this has to be taken into account when studying social events. Marxists, feminists, those social scientists concerned with racial inequality base their research on conflict theory. Critical theorists consider reality to have objective relations and subjective meanings. For example, researchers with a Marxist viewpoint might suggest that the market economy is an illusion and that the exploitation of the working classes is the reality.

Candy summarises that of the basic tenets of the critical approach are:

Much action is outside the control of the individual and involves social conditions which the individual may not understand.

Interpretations involve understanding of the "logic of the situation" as well as the "logic of causes".

Research should be restricted to recording actors' understandings or it will involve reformulation of events which is an act of construction not discovery.

Researchers have access to specialist language of interpretation that sets them apart from those being studied.

The purpose of research is to liberate and emancipate but this might be frustrated by the existing social order (Candy, 1989).

Critical approaches focus on raising the consciousness of those being researched and a dialectic interaction leading to reflection.

The theoretical approach of the researcher is basically a critical one in believing that the State is interested in the provision of early childhood education, not solely out of objective and altruistic commitment to young children, but because it is economically expedient. It is expedient to have women working, to turn the education and care of young

children into an industry and to preserve the wellbeing of the next generation so that they do not become a burden to the state. It could be seen that the professionalization of early childhood teaching by insisting on higher qualifications serves to move the education out of the uneconomic sphere of unqualified and unpaid mothers and into being a service industry.

To suppose that the institutionalisation of early childhood education was purely to create a new industry would be tantamount to believing that a conspiracy existed between early childhood education experts and policy makers. The researcher's stance is rather that the education of children in group settings in our current society requires more expertise than parenting used to need in village society. Nevertheless the industrialisation of the task which parents used to perform is of advantage to a capitalist state. Early childhood education may be beneficial to children but organised childcare is certainly beneficial to the economy. Capitalists make profit from running childcare centres and the State is able to include the activities of childcare centres in its balance sheet. Childcare workers are employees who will pay taxes as well as using their services to allow other women to be in employment.

The Ministry of Education justified an increase in early childhood education funding in the 1998 budget by saying that it would: "Help improve the quality of early childhood education and maintain its affordability" (Ministry of Education, 1998). The increase could also encourage more centres to open which will expand the tax advantage for the State and give opportunities for encouraging more people away from "welfare dependence".

The involvement of the State in social services is often measured in monetary terms: lobby groups ask for more and politicians measure their own effectiveness by saying they have spent it wisely. The Associate Minister for Education, Brian Donnelly, spoke at the Early Childhood Council National Conference in 1997. He said that he had received a number of delegations from people representing early childhood groups: "No prizes for guessing what they were all asking for!" Funding was the area that engendered most questions and lobbying.

Much discussion on State involvement in the welfare of citizens concentrates on value for money. If the government is putting money into early childhood education it wants to make sure that it is getting the best possible return on its investment towards improving the development and growth of young people in New Zealand.

Why Involve the State in Early Childhood Education?

Is it necessary for the State to be involved in early childhood education and care?

“Education” and “Care” are used synonymously in early childhood education.

However, the services provided are still acknowledged to fulfil two needs. There is the need to educate the young child and the need of families for their children to have safe care while their parents and caregivers are not available to look after them. The state has had a longer financial commitment to “education” than “care”.

State involvement in education has a long history and is generally accepted as being necessary. There are external benefits in having a reasonably educated population that is necessary to ensure production of exportable goods. To leave education to market forces would not ensure that those who most needed it received education. Not all parents value education and would not choose to invest their money in their children’s learning. Distribution of income is dependent to some extent on level of educational achievement, so to leave purchase totally dependent on ability to pay would continue inequality in society. The provision of State-funded education gives opportunity for the State to invest in human capital and to ensure social cohesion through the provision of a reasonably common educational experience (Birks S. and Chatterjee S., 1997).

Is Quality Improved When More Money is Provided by the State?

The Treasury’s briefing “Government Management” (1987), subsequent budget statements and the Public Finance Act proposed objectives which focused on effectiveness and efficiency (Brumby J. Edmonds P. and Honeyfield K., 1996). The authors of this paper on Financial Management Reform (FMR), who point out that the views expressed are theirs and not the Treasury’s, identify three levels where efficiency in government spending can be improved. It could:

1. set up a process for transferring public-sector trading bodies to private sector
2. reduce expenditure on low priority or ineffective activities
3. increase pressure on government agencies to improve efficiency.

The changes in the funding of early childhood education could fall into all three levels:

1. all aspects of kindergarten management have been transferred to Associations
2. questions are being asked about the “quality outputs” of early childhood education

3. the Ministry of Education, Early Childhood Development (Unit) and Education Review Office have to constantly spend time giving milestone reports justifying their existence.

What is “quality early childhood education” and who can judge it? There is often a perception that services or goods that cost more must be of higher quality. In 1996 a second level of sessional funding for early childhood education was introduced. It was called Quality Funding (Appendix 1). The two criteria used to decide whether early childhood education centres should receive Quality Funding are **adult to child ratios** and **staff qualification**. The level of qualification decided upon was the Diploma of Teaching (Early Childhood Education) which is a three year full time education qualification at the same level as the primary teaching qualification.

The cost of staff has two parts: the number of staff and the amount each expects to be paid. Childcare centres frequently complain about the lack of response to advertisements for qualified staff (Farquhar, 1991). As a co-ordinator of students graduating with a Diploma of Teaching, the researcher found this still to be the case in 1997. There were many more jobs available than graduates to fill the positions. Employees who have spent time on training generally expect higher salaries. This is especially true in New Zealand as students graduate with substantial loans to pay back. The situation has not changed much since 1991 when Sarah Farquhar found that staff worried about insufficient funding and needs for improving staff ratios (Farquhar, 1991).

A recently recurring theme in education is the consideration of whether it is a public or a private good. John Luxton suggested that the early childhood education and care sector had the right idea:

Focused on the client, the parent and the child. Parents make the decision as to where the money is going to go. If they don't like the service they move to another service. That puts a pressure on you as providers to meet the demands of parents because if they are not satisfied they shift and so does the funding. This is something I would like to see in the wider education sector. I think that we have some real problems in the compulsory sector, it is not as dynamic, it is not forced to change as it should be changing (Luxton J., 1995).

Competition between services is encouraged, new ideas targeted at driving up participation rates occur and collegiality and co-operation decrease. This debate is most evident in the non-compulsory sectors. Tertiary and early childhood education are still not seen in the same way as primary and secondary. They are only partially supported by Government funding whereas the compulsory sector is theoretically fully funded.

The Minister of Education seemed to support early childhood education being accepted as part of the education system:

Early Childhood Education has too often been seen as being outside the “mainstream” education system. It must not be. The government believes that it must be part of an overall education strategy (Ministry of Education, 1993).

This rhetoric has not been backed up by policy changes since 1993. Increasingly there have been changes that reduce government responsibility for education and encourage self-management of centres. Nevertheless politicians and all others concerned with early childhood education and care repeat their commitment to two principles: **quality of provision** and **equity of access**. The equation seems to be: Ease of access + Quality = Cost. This implies that if the investment in early childhood education increases, ease of access and/or quality will also increase. It is important to examine the history of early childhood education bulk funding in New Zealand to develop an understanding of the perspectives of the people involved. Childcare centre owners may find themselves in receipt of much more Government money than they were in 1990. Kindergarten teachers are no longer seen as State Servants and have seen a gradual withdrawal of the State from provision of free education for kindergarten children. One would hardly expect the perspectives of these two groups to be the same.

History of Public Funding in Early Childhood Education

Kindergarten funding

Kindergartens were first given financial assistance by Government in 1904 when it gave 500 pounds to be divided between Auckland, Wellington, Christchurch and Dunedin. In 1909 a “pound for pound” was offered to match money raised locally. In 1914 capitation grants started, based on average attendance. This was gradually increased but ceased during the depression years. It was renewed in 1935 and remained until 1948 when the government agreed to assume responsibility for kindergarten teacher’s salaries and later paid a subsidy on new buildings and equipment of approved design. In this, there was agreement on teachers’ hours of work and approval of a temporary salary scale. The salary scale was improved in 1955 and revised again in 1963. Other monies were paid to assist with administration and teacher training (Downer H, 1964).

In 1959 the Kindergarten Regulations (New Zealand Government, 1959) regulated the payment of salaries to kindergarten teachers by making money available, as follows:

Out of funds appropriated by Parliament for the purpose, grants may be made to associations for the purposes of the payment of the salaries and allowances of kindergarten teachers employed by associations.

And by setting the level of salaries:

Section 9

Kindergarten teachers shall be paid salaries and allowances in accordance with the appropriate salary order for the time being in force pertaining to such teachers.

In March 1969 the Education Department paid teachers salaries directly from the Reserve Bank instead of advancing funds to Associations for this purpose (Auckland Kindergarten Association, 1969).

In 1982 the National Government under Muldoon had a wage and price freeze which held up wage negotiations for kindergarten teachers. The then Minister of Education Merv Wellington was openly critical of the Kindergarten Teachers Association lobbying for increased funding, commenting on the “pseudo union behaviour”.

In 1983 a national appointments scheme was set up for kindergarten teachers which meant that appointments and appeals procedures for kindergarten teachers were centralised in Wellington. 1983 also saw staff ratios in kindergartens gradually increased to have three teachers per kindergarten instead of two teachers to forty children. In 1986 Kindergarten Teachers Association and Early Childhood Workers Union held the first Maori Hui for Maori early childhood education teachers and workers. During 1987 the second Labour Government continued an in-depth examination of social policy including that which applied to early childhood education.

In 1988 kindergarten teachers came under the State Services Act which codified their pay and conditions into an award document (Staffing Working Group, 1989). Kindergartens and childcare centres were treated differently, in that the former were included as part of the education service and the latter came under Social Welfare until 1986.

Childcare funding

Childcare centres had no government money given expressly for wages and had no instructions given for levels of payment. The Child Care Centre Regulations (New Zealand Government, 1960) make the registering of childcare centres obligatory but make no reference to funding being available from Parliament.

In 1976 the Conference on Women in Social and Economic Development recommended that childcare be placed under the Department of Education and that state

funding be made equitable across all early childhood education services (Else A., 1993). It was some time before either of these recommendations received attention. In 1982 the Early Childhood Workers Union was formed to fight for improvement in conditions for childcare workers who were mostly unqualified, low-paid women.

The Childcare Centre Regulations (New Zealand Government, 1985) had implications for the working facilities and conditions of childcare workers but did not make any direct relationship between government funding and salaries. The 1980s brought haphazard implementation of funding policy. In 1986 the State provided grants to Family day-care for co-ordinators' salaries, administration and training. This amounted to about \$17,000 per project per annum. Community childcare centres were eligible for establishment grants of up to \$22,000. Licenced childcare centres could apply for grants for trained staff and staff who undertook training while working at the centre. These grants fell well short of the subsidies enjoyed by kindergartens (The Treasury, 1987).

In 1986 Childcare centres still received no government funding except childcare subsidy and a "trained staff grant". The latter was intended to encourage centres to employ trained staff. In 1990 centres received \$22.87 per session for a trained supervisor, \$20.63 for other trained staff and a \$6.29 training incentive. This remained in place until bulk funding was introduced in 1990.

Childcare centre places were made available to families who could not afford the fees through childcare subsidy. Childcare subsidy was made possible under Section 124 (I) (d) of the Social Security Act 1964 (New Zealand Government, 1964).

Childcare subsidy

Childcare subsidy was introduced in 1973 but was administered in a haphazard fashion. The subsidy was initially available to childcare centres that could establish that a considerable number of their parents were in need of "welfare". This was done by the introduction of the support of a voluntary welfare organisation that would place the child in the centre and take on responsibility for the cost. The voluntary organisation would in due course receive the Childcare subsidy from the Department of Social Welfare. Eligibility was dependent on childcare being in the child's best interests.

Only when circumstances make it better for the child to be in day-care apart from the family is assistance from the community for day-care justified (The Review Team, 1989).

The subsidy at this time was in the form of capital grants and capitation subsidies calculated as a grant on half-days of attendance at a childcare centre (Moss M., 1997). It was seen very much as a payment to children in need rather than as Government grants to early childhood education centres. Many centres rely on childcare subsidy for their income as they are built in areas where most of the population survives on low incomes.

Playcentre Movement 1941

Playcentre's first funding from Government was in the form a 100 pound grant in 1943. In 1948 this was increased to 1000 pounds annually (Stover S., 1998). Requests for this to be further increased resulted in the Education Department making establishment grants available in 1950 to each recognised centre followed by an annual grant for three sessions a week. Grants were increased in 1955 and appear to have remained fairly static until 1978 when the first government liaison and training grant was made. In 1981 the Education Act was amended to provide payment to Playcentres and this increased Playcentre's share of the Vote Education budget to 10 cents in every \$100.

These increases were insufficient and by 1987 Playcentre mounted a major election campaign for funding which was more equitable with other early childhood education providers. This eventually resulted in an 230% increase in government funding in 1990 but it came with much tighter licencing requirements which many centres could not meet. Over 60 Playcentres have closed down since the introduction of these minimum standards. The 1997 budget gave Playcentre equal funding with other providers for the children under two who attended.

Playcentre had ongoing concerns about its ideals being "buried by bureaucracy and undermined by Government policy". In 1976 Barbara Calvert warned of the dangers of an "arranged marriage between pre-school organisations and the benevolent state". (Smith C., 1998 pages 92-101).

Bailey Report 1947

The Bailey Report (NZ Consultative Committee on Pre-School Education, 1947) took a critical look at the state of pre-school education in New Zealand and made a case for an organised national pre-school education system. Before this time provision of pre-school education had been mostly dependent on the voluntary sector. It was found that only about 5% of children under five received pre-school education. The authors found that the voluntary system could not hope to cope with a large scale expansion and uniform provision.

There was substantial emphasis on the importance of having qualified teachers and it was found that voluntary bodies would be unable to pay salaries that would attract “suitable girls”.

The Bailey Report recommended the establishment of a State pre-school system. It acknowledged the importance of early childhood education and the importance of the State in setting and maintaining high standards. It recommended increasing State aid and grants to Associations and the involvement of the education programmes in setting a uniform salary scale for all kindergartens. The report fell short of recommending total and immediate State control of kindergartens, finding that this would be too expensive and detrimental to the extensive voluntary contribution which was already being made. The aim of the report was to move towards a State system after a developmental period of not more than five years. The Education Department was to be the responsible authority for a State pre-school system. Because of the value of education to the child, home and community it was recommended that existing educational services should be expanded until they were available to every child whose parents wished to use them (NZ Consultative Committee on Pre-School Education, 1947).

It seems that two principles were emphasised throughout this report. Firstly that quality be maintained through the provision of qualified teachers and secondly that early childhood education be made accessible.

The Hill Report 1971

The Hill Report (Department of Education, 1971) inquired into the degree of State assistance to pre-school education and indicated the principles and priorities for further development of pre-school education. The report examined the amount of money the State spent on pre-school education and recommended the investment of more in several areas. The inquiry came to conclusions about early childhood education which still hold true in 1998. It was recognised that teachers and supervisors would require the training necessary to provide “a sound educational environment”. The Committee wanted the training to be three years to bring it into line with primary but thought it wiser “in the present situation” to recommend that teaching students spend two years at a college and one year as probationary assistants.

It said that “in the majority of cases parents did not have the time, the opportunity or the background to judge the quality of the education which was being offered” (page 40).

The State should therefore take responsibility for ensuring that the services it funded were of a suitable quality.

It was recommended that the Department of Education give equitable assistance to kindergarten and Playcentre and also support (financially) any pre-school which met certain requirements. The criteria for assistance would be dependent on centres meeting requirements in these areas: "Sites and buildings, equipment, number of children, number and duration of sessions, number and qualifications of staff, programmes, liaison with parents and the particular needs of children being served" (page 77). There would be a requirement that all public money would be accounted for. The report commented on the low level of kindergarten teachers' salaries saying that as professionally trained pre-school teachers, they should expect better salaries.

If all the recommendations made in this report had been acted upon, early childhood education in New Zealand would have improved dramatically in the 1970s.

Current Situation

The current funding of early childhood education was legislated for in the Education Act of 1989. Section 23 of the Education Amendment 1989 (New Zealand Government, 1989 page 37) refers to the payment of bulk funding to "Early Childhood Education Institutes". It states that:

1. The Minister may recognise, for the purposes of funding, out of money appropriated by Parliament, institutions providing educational and developmental facilities and services for the benefit of children who have not yet enrolled at a State primary school.
2. The governing body of such an institution may be paid grants out of money appropriated by Parliament for the purpose.
3. The amount of every grant paid under subsection 2 shall be determined by the Minister.
4. A governing body shall apply the grant in doing whatever it thinks will best achieve the purpose the institution or institutions concerned were established for.

These provisions were outlined in the document "Before Five" which stated that all previous forms of assistance would stop when new funding came in (Lange D., 1988). Bulk grants would be delivered directly to the management of chartered services. The bulk grant was intended to pay most of staff wages, salaries, professional development, and operational expenses such as equipment, running costs and accommodation costs. There was no separate salary component because of the complexity of staff/child ratios and differential pay rates.

For two years teachers who had been paid by the Department of Education would continue with that arrangement, but after this, management of all early childhood education services would receive all money for salaries and they would pay their own employees directly. The bulk grant would be calculated on the basis of children enrolled for each session (a session being 2.5 to 3 hours in duration, with a maximum of 10 sessions per week). The amount of funding was not specified in "Before Five" (Lange D., 1988). However, the Government would consider the current level of funding available to kindergartens along with other factors that promote the good quality early childhood education and care as identified in "Education to be More" (Meade A., 1988).

In 1992 bulk funding came to kindergartens. It did not take long before early childhood education services discovered that bulk funding was not a great blessing. Auckland Kindergarten Association was in a poor financial position by the end of 1993 with its second year in deficit. 1993 was the first full year of bulk funding and although Wendy Sharp, the President, acknowledged some benefits such as the employment of 18 additional teachers she expressed grave concerns.

The true issue with bulk funding is the formula which has been applied. It is based on 1991 salaries and costs, yet Associations must pay our staff annual increments in accordance with their Collective Employment Contract, we continually face additional compliance costs etc. Hence whilst our primary income stream is static our costs are not.

When bulk funding was introduced, no support was provided by government to the Association Council or Management. It is clear that the bulk funding formula arrived at by Government does not enable us to adequately fulfil all of our objectives under the charter while at the same time maintaining our kindergarten philosophy, in particular the employment of qualified staff and a no fee service (Auckland Kindergarten Association, 1994 page 5-6).

Following a financially unsuccessful year in 1993 the Association treasurer stated that the Association was only able to survive because of its cash reserves from previous years. Tight controls to contain expenditure would be necessary in 1994 (O'Halloran and Co., 1994).

Anxieties have not disappeared although Auckland Kindergarten Association is in a better financial position now. By 1997 the President, Ron Crawford, acknowledged that to survive in the future, kindergartens would have to seek alternative sources of funds, other than being wholly reliant on government. He was pleased to report an operating surplus of \$730,622 (Auckland Kindergarten Association, 1998). He did not refer, however, to the fact that the government had increased bulk funding by 5% in July of 1997 which would have given the Association about \$250,000 which they had not budgeted for.

The Government took a while to think of a solution to the anomaly where they provide the money but the Associations have to pay the salaries. Their solution was to make Associations responsible for negotiating Employment Contracts by withdrawing kindergarten teachers from the State Sector Act in 1997.

The message which politicians repeat when challenged about early childhood education funding is that government has a mandate to fully fund primary and secondary education from taxpayer money. There is no universal demand for a fully funded early childhood education and care services. These are not State organisations but independent providers given a grant-in-aid for educational outcomes, not a subsidy based on input costs. This statement was made by Associate Minister for Education, Brian Donnelly, at the Early Childhood Council Annual Conference in 1997.

Mr Donnelly pointed out that children under five receive about the same per full time equivalent (FTE) child as primary aged children. Early childhood education receives about 5% of the Vote Education budget. This is a change from the period 1974 to 1989 when the proportion was only about 1%. The average annual government expenditure per FTE child in early childhood education is \$3,017. Childcare centres costs the least (\$2,916) and home-based care costs the most (\$3,376) because of the high proportion of children under two who are funded at a higher rate than over twos. These costs include accommodation costs but not the costs of childcare subsidy which comes out of Income Support's budget. This mechanism may hide some of the costs of childcare. State primary education costs \$3,281 per child (Ministry of Education Data Management & Analysis Section, 1997).

Other Issues

Diversity or dissension, tensions in the early childhood education sector

If there is one feature which makes early childhood education stand out in New Zealand social policy it would be its history of differences. It appears that disagreement among competing movements and stakeholder groups is endemic.

The Ministry of Education has an advisory committee (ECAC) where representatives of national early childhood education organisations meet to inform the Ministry of Education of concerns and to give their views on current issues. From minutes of these meetings it is evident that there is competition for representation and lack of agreement on many issues.

The quote below refers to the development of Unit Standards for teacher education and gives an example of the arguments which occur at ECAC meetings.

The size of the group and its composition were discussed, with special reference to the two representatives the ECC has and the alleged incorrect information on which the representation was based. The NZCA are concerned and had met with Ashley Blair who said it was a political decision, and then saw John Luxton who said it was not. Heather said the decision was made without correct information and that it was not okay. Marjorie Theyer (Steiner representative) questioned why there had been no room for a Steiner representative on the new committee: they had been told there was no room on the previous committee and theirs was an international organisation (Ministry of Education, 1994 page 7).

If early childhood education organisation had one voice it might be possible to sway Government but as there is frequent disagreement it is possible that politicians will be able to follow their own inclination in assuming that some organisations will be in support of them and some will not. It is hardly surprising that politicians do not support early childhood education being fully funded when those in the sector cannot agree among themselves. Early childhood education has the dubious distinction of having so much disagreement among the members of the national advisory group (for NZQA) which was brought together to decide on qualifications, that the group was disbanded. It is certain that whatever the State provided there would be an outcry from several groups.

If there was concerted action from the majority of early childhood education groups on improved funding, the Government may be inclined to comply. Linda Mitchell described the power of collective action which led to improvement in kindergarten teachers salaries in 1996 (Mitchell L., 1997 page 11).

The work of the union and its successful co-ordination of a lobby group of community groups prompted the government to change its funding policy on free kindergartens three times in 1996.

Early childhood education stakeholders fail to unite to present a united force to the public and Government. In 1980 the report of the State Services Commission Working Group on Early Childhood Education and Care commented on the difficulty of setting up an early childhood committee. The Working Group found that early childhood people were committed not to services for all children but rather to their particular service. People who belonged to established early childhood movements often believed that the service provided by their movement was superior to all others. The report contemplated setting up Early Childhood Committees at District level but spoke of the tendency for everybody concerned with early childhood to insist on direct representation. Each group was concerned that they would be disadvantaged in decision making and the allocation of

power if they were not directly represented (State Services Commission Working Group, 1980).

Diversity is often mentioned as being a positive feature as it gives parents choice of different early childhood education services. With this diversity unfortunately come tensions and competition between service providers who argue among themselves about fairness in funding, representation and who should decide the definition of things such as quality. This diversity involves a “contestation of meaning” (Jesson J., 1996).

Contestation occurs at all levels in early childhood education from state to centre.

Education involves individual as well as political purpose. Few discussions on early childhood education are between like minds as each individual battles for their own ideas, philosophy and political agenda to be acknowledged (Moss M., 1998).

Table 1: Some of the components of early childhood education contests.

Issue or Problem	<div style="text-align: center;"> Continuum  </div>	
Where should children under five be educated?	Institutional Care	Home Care
Who knows best for this child?	Parental	Professional Expert
Who provides “education”?	Kindergarten	Childcare
Which philosophy is most sound?	Playcentre	Kindergarten
Should individuals make profit from childcare?	Privately owned childcare	Community Based Childcare
Who gets more Government funding to provide teacher education?	Private Training Providers	Public Colleges and Universities

This Study

Assumptions

Given this discussion on very basic philosophical differences of opinion about early childhood education I feel it necessary to state some basic assumptions on which this research is founded.

This study is based on three assumptions:

1. Good early childhood experiences are important to ensure optimum growth and development.
2. That the State should have a role in regulating and funding early childhood education.
3. The delivery of early childhood education by institutions must be based on an in-depth understanding of the context, the history and current relationship between the State, the provider, the community, the teacher, the family and the child.

Attitudes beliefs and values

Attitudes beliefs and values are central to the very personal relationship between parent and child. Differences in this area allow some people to say that early childhood education is an essential benefit to children in our society and others to say that it is damaging and dangerous.

I would suggest that cognitive dissonance is sometimes present not only in parents but in teachers. The theory of cognitive dissonance described the state of tension when people become aware of holding two inconsistent thoughts simultaneously (Festinger L., 1957). The discomfort can be relieved by either changing belief or behaviour. For parents who are forced by circumstances to leave their children in educational establishment they can minimise their discomfort by changing their beliefs to see early childhood education as being beneficial. This could account for the phenomenon found by Dr Anne Smith where parents judge poor centres to be satisfactory. To acknowledge that they were knowingly leaving their child in poor care would be too uncomfortable.

Since parents seem to be on the whole extremely satisfied with the quality of their child care, regardless of its actual quality, it is futile to expect parental choice to act as a mechanism to control quality (Smith A., 1995).

The move from looking only at structural variables in early childhood education to looking at process variables for measuring quality makes this even more significant. Process variables include intangible things such as interactions between adults and

children and making efforts to welcome parents to the centre. Measuring the quality of a conversation or relationship can be value driven.

Education is not value free and I believe that teachers need to be made more aware of this (Farquhar S., 1994).

I would go further than Sarah Farquhar and say that early childhood education is value ridden. This is evident in the dissension described within the early childhood education sector.

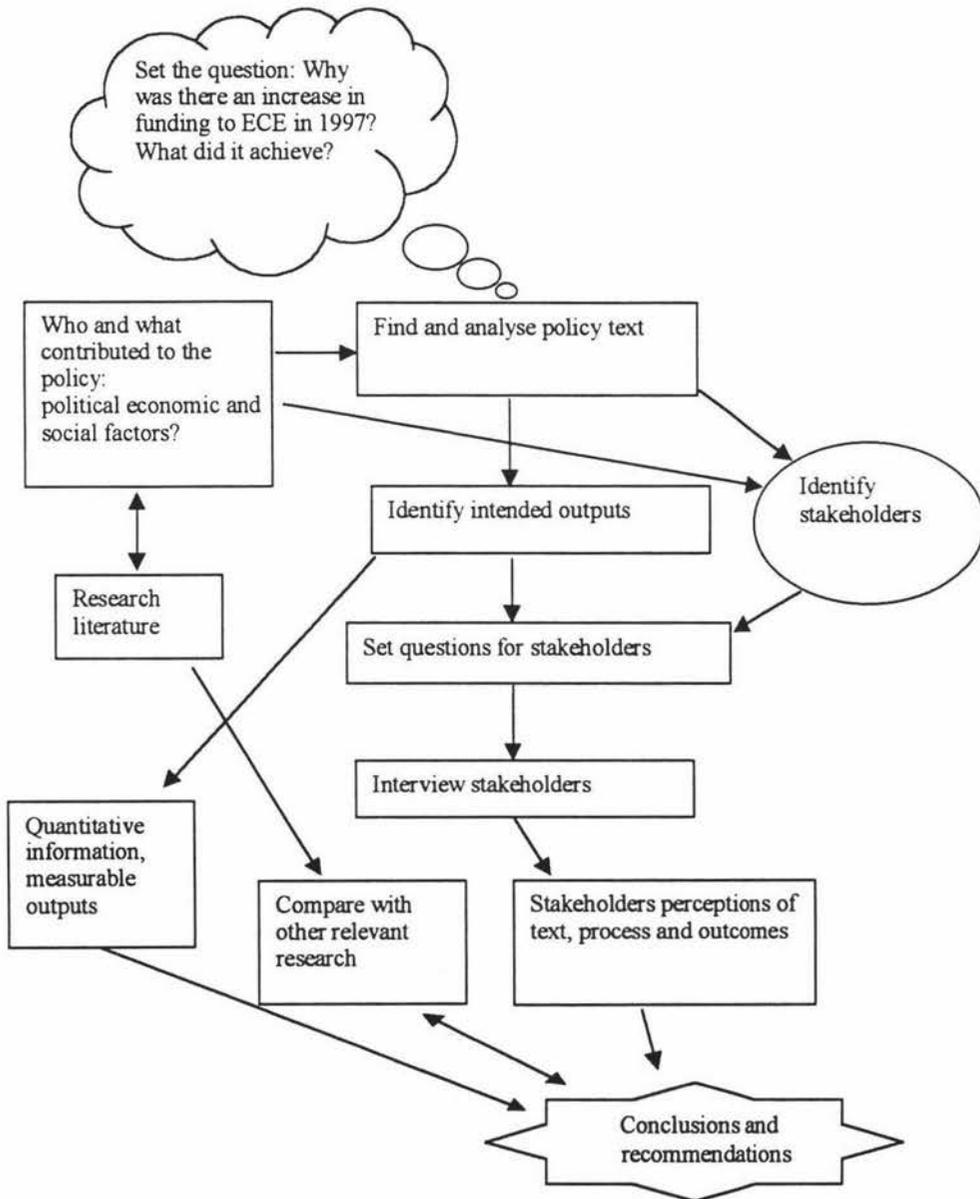
This chapter has given a description of my theoretical stance which is based on the history and current context of early childhood education funding policy. The following chapter will describe the methods used to research the increase in early childhood education funding of 1997.

Chapter 4 Research Methods

Introduction

This chapter outlines the research methods used in this study and the reasons for the choice of methods. The work involved in setting the scene for the research was lengthy and worthy of discussion. Fieldwork procedures including a description of the sampling method, choice and recruitment of participants are discussed. The interview process is described, followed by the method of data analysis. The process used is summarised below in diagrammatic form.

Figure 1: Research Process used for this research.



Choice of Policy: Why study the 5% increase in bulk funding?

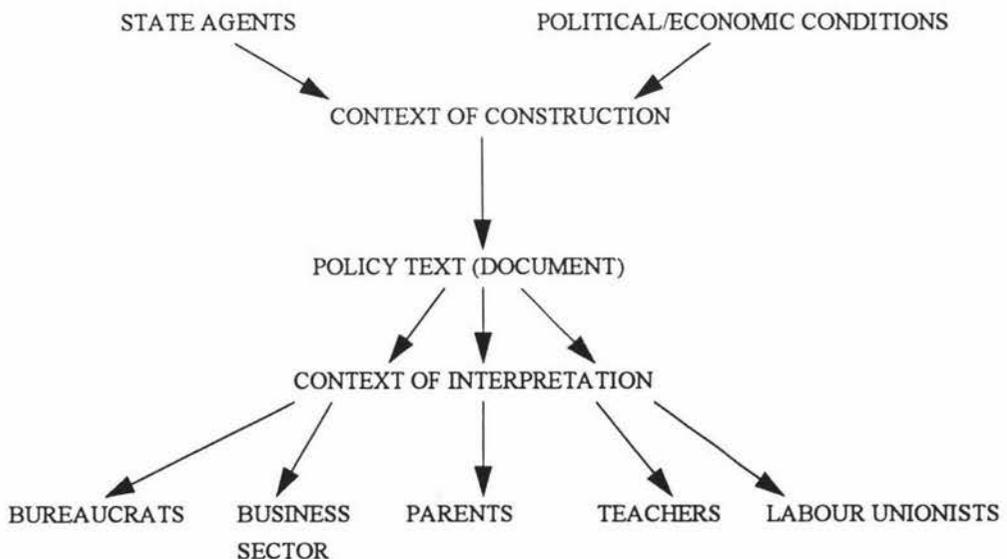
There have been several increases in funding to early childhood education in the last two years. In 1995 “Quality Funding” was offered to centres meeting certain criteria. While it would be interesting to examine how this money was spent, I decided to look at the recent 5% increase. Not all centres received “Quality Funding”, so to examine that area would bar me from considering kindergartens in my research.

Policy Analysis Methodology

John Codd wrote a chapter in a book called “Marketing Education” (edited by Kenway et al.) He focused on the importance of the use of language in education reform in New Zealand. He was particularly interested in the language used in policy text. “One of the tasks of the policy analyst is to clear up confusions and establish an authoritative interpretation” (Codd J., 1995 page 102).

Codd discusses the process of interpretation of policy text. He suggests that the process involves research (facts) combined with intentions (values and goals) to make policy text which is then interpreted in public discussion and implementation. Meanings come not only from language but from institutional practices, power relationships and social position (Codd J., 1995 page 103). Codd provides this diagram which I found useful for social policy analysis.

Figure 2: A materialistic conception of the policy text.



I believe that this identifies the areas for investigation and the individuals and agencies that ought to be considered.

The report of the Early Childhood Care and Education Working Group (Meade A., 1988) proposed that several groups would benefit from early childhood services. These groups were identified in Appendix 2 of the report and included society, children, parents, families, providers and employers. Meade omitted two significant groups: teachers and bureaucrats. I believe that these groups need to be added to the list of “stakeholders” as they have an influence at a centre level and nationally.

Factors enhancing validity of this research

It was my belief that to research early childhood education policies there were several factors that would make my research more valid. I agree with the school of educational sociologists who found that social facts are based in their context and can be better understood there (Candy, 1989). This study looks at the social policy of early childhood education bulk funding from a practitioner’s and a stakeholder’s perspective. I am a teacher working in a kindergarten, where I work directly with children and their families. I accept that my daily work influences my theoretical stance. I decided to undertake my research as an early childhood education practitioner, not as an academic or a full-time researcher. I believe this adds validity to my research as I am immersed in the community and the social process. As I observe the impact of policy on children and their families on a daily basis I am reassured that current practice gives validity to research. I believe that it was easier to approach people as a working professional teacher rather than an academic “expert”. I aimed to make sense of the accounts of the people being interviewed “to pass the test of participant confirmation” (Carr W. and Kemmis S., 1983). As far as possible I did not seek to reinterpret the experiences of the people I interviewed, but included their viewpoints in the research. I planned to organise the sum of the information in a way that would give a more systematic representation of the events from the view point of the stakeholders involved. In the presentation of my findings I aim to preserve the voice of the interviewees. This necessitates extensive use of quotes from transcripts. While this can lead to a lengthy presentation of findings I believe that it provides validity and objectivity.

Methods of Data Collection

Having decided to use Codd's model, the next considerations were to identify the sample of stakeholders to be researched and to decide whether to gather information through questionnaires or interviews. These considerations are interrelated as a wider sample could be undertaken if questionnaires were used rather than interviews, which tend to limit the size of the sample because of constraints on time and expense. As the views of stakeholders were likely to be complex and narrative in form, it was decided that questionnaires would be restrictive; what was required was the in-depth views of a small sample rather than superficial views of a larger group. Interviews also allowed greater flexibility, control and ensured that all questions were answered.

It was important to allow for the oral gathering of information, as many of the people were likely to be able to discuss the issues more readily than just to fill in forms. In my experience mothers were very willing to take the opportunity to discuss how they felt about their childcare and education arrangements. If written information were the only option, I would rule out communicating with those whose literacy in English language was not strong. The choice of potential interviewees was limited by the size of the early childhood education field in New Zealand. For example there is only one union which represents early childhood teachers. I applied to that union who nominated the person they thought would be most appropriate for me to interview. Several politicians were contacted and I include responses from the two who chose to be involved. Limitations of convenience and expense dictated the choice of teachers and parents interviewed.

Interview format and design of interview questions

Trial interview questions and styles were tried with three individuals. These interviews are not included in the main research findings. Two were parents of children attending early childhood education centres and one was a centre supervisor. The basic format of the interview was confirmed and some minor adjustments were made to questions (see Appendix 5).

Interviews took place for the most part at the interviewee's place of work or kindergarten. This had some disadvantages in that there were interruptions and distractions but the interviews were satisfactory. The time taken varied depending on the knowledge and interest of the interviewee in the subject. The length varied from one and a half hours to ten minutes. The average interview time was an hour with parents being

the group who took the least time. Some parents indicated that they would prefer to be interviewed over the phone. Interviewees were put at ease with a discussion of the research information sheet and an offer to answer any questions or expand on any points. The topic was introduced as I read the statement on government policy.

The most appropriate type of interview to use in this research was a semi-structured, guided interview (Sarantakos, 1993 page 179). It was essential that I conducted the interviews myself as it was necessary to have a reasonable degree of knowledge of the research topic to provide useful prompts. The interview questions were designed using guidelines intended for people doing site visits for analysing process tasks (Hackos J. and Redish J., 1998 pages 275-295). These guidelines provided in-depth guidance on the structuring of questions and prompts.

The document used for interviews was a script rather than a questionnaire. It was used to provide a consistent framework to ensure that all interviewees were asked the same questions in a similar manner. The questions were open, broad and for the most part asked for judgement as I wished to know the attitudes, opinions, motivation and expectation of stakeholders as well as their level of knowledge. Question 2 had a prompt which could be seen to be leading, as I asked interviewees to expand their answers to consider if there might be an overt and a covert purpose to the increase in bulk funding. The questions were all asked in a neutral manner with paraphrasing and reflective listening used to encourage people to elaborate on their responses. To reduce intrusion few written notes were taken during the interviews.

Question seven was hypothetical as it invited speculation on possible policy directions.

It was decided to exclude specific definitions of quality as initial trials of the interview became side-tracked with discussion on definitions. The definitions of quality were left to the interviewee so that we could focus on the question of how money would be spent rather than enter a debate about quality. I decided to include features such as equipment and safe environments in the options for investing money (in question 5) as all three people in the trial interviews commented on wishing to invest money in this area in their centres. Early childhood centre staff, management and parents were researched to identify what they thought should have been done with the money.

I decided that it would be more interesting to present these findings as quotes rather than just as figures or tables. Given the current government interest in strengthening

accountability, encouraging diversity and supporting innovation from the community, it was relevant to identify what the “community” thinks.

From my trial interviews I suspected that very few parents would be aware of the increase in funding so I decided to modify the interview questions if it became obvious in the course of the interview that knowledge of early childhood education funding was limited. This was the case and my questions to parents were simplified.

Criteria for selecting interviewees

I used the grouping of stakeholders identified in Codd’s model (Codd J., 1995), but added an additional group to Codd’s list as I believe that the views of politicians are significant.

Table 2: Criteria for selecting interviewees.

Context of Interpretation	Interviewees
Politicians	I felt in this analysis that the role of political leaders was significant in forming policy (Helen Clark (Int 5) was interviewed and Brian Donnelly (Int 6) gave a written response).
Bureaucrats	Employees of the Ministry of Education would have been significant here but as the relevant individuals were not available the views of the Ministry had to be gleaned from documents. I interviewed Dr Anne Meade (Int 2) who wrote report “Education to be More” which the Government actioned through “Before Five”. Dr Meade was seen as having significant contribution to policy text in the past and currently through her work with NZCER.
Business Sector	Three individuals were interviewed in this category, the Manager of the Auckland Kindergarten Association (Int 3), the President of the AKA (for 1997) (Int 7) and the owner/manager of a group of childcare centres (Int 4).
Parents	A total of five parents were interviewed from three kindergartens (Int 18 to Int 22).
Teachers	A total of ten teachers were interviewed from six kindergartens (Int 8 to 17).
Labour Unionists	Linda Mitchell (Int 1) from NZEI was interviewed.

Procedures for recruiting participants

Many early childhood education centres are individual organisations who do not belong to an umbrella organisation. Those that are privately owned are under no obligation to disclose their audited accounts other than to account for bulk funding. Centres which are managed by an owner tend not to keep regular accounts of decision making processes. After initial discussions with two private childcare centre owners I decided that there would be too many practical difficulties accessing information from privately owned centres. Incorporated Societies and Trusts keep financial accounts and minutes of meetings. As these are easy to access it was more practical to research community-based early childhood education provision.

I decided to invite Auckland Kindergarten Association to be involved in my research as a case study, as it has 103 kindergartens and could provide a range of stakeholders who might be interested in research. Although my case study was in the kindergarten sector the questions were not sector-specific and I asked interviewees to talk generally about early childhood education. Interviewees outside Auckland Kindergarten Association were asked about early childhood education not about kindergarten.

I decided to invite teachers and parents to volunteer to take part in the interview process. This was intended to minimise the effect of researcher bias, in that if I nominated certain teachers I might choose those who had viewpoints which suited my stance. Auckland Kindergarten Association sent out a request for teacher and parent volunteers in its mailout to kindergartens. Those self-selected responded by contacting me by phone. I sent out information sheets and followed these up by phoning to ask for an interview appointment. Teachers from eight kindergartens responded, six were used for interview. The two not used were declined because of difficulty arranging interview times.

I decided to cover a range of socio/economic backgrounds to try to ensure some form of balanced response, as it appears that kindergartens in higher socio/economic areas are better resourced than those in lower socio/economic areas (Auckland Kindergarten Association, 1998). Fortunately, the kindergartens who responded covered a range of socio/economic areas. Kindergartens are not rated on the decile system so I used the rating from the primary school that the majority of their children graduated to.

Table 3: Numbers of teachers and parents interviewed at Kindergarten.

Kindergarten	Inferred decile rating	No. of Teachers interviewed	No. of parents interviewed
1	1	2	-
2	1	1	2
3	7	2	5
4	9	1	-
5	6	3	1
6	10	1	-

Although this is a relatively small sample, the aim was to undertake qualitative research to balance the quantitative information which is available through existing research and documentary evidence of changes in input and output.

Participants were subsequently approached by phone, where possible, to confirm their interest in being involved in the research. The interviews were then scheduled and carried out. When the time came to interview the Ministry of Education personnel, the person nominated was not available. Sufficient documentation was however available from the Ministry of Education to ensure that their views could be quoted without an interview. Some of these interviews involved politicians and have the problems associated with “Elite interviews” (Sarantakos, 1993).

Participants were asked if the interview may be recorded on audiotape. Parents in three cases declined and their interviews were not recorded. Everyone was advised that the tapes would be wiped after transcription. They were sent a copy of the transcribed information and given an opportunity to make comments at that stage. They were then sent copies of the draft research findings which applied to them. Any participants who requested a full copy of the final report will be given one.

Quantitative Data

The validity of research in social science appears to be judged on whether conclusions are founded on empirical evidence which is based on quantitative data. This is in keeping with the positivist philosophic outlook espoused by Comte that stressed the power of positive, scientific knowledge to solve major practical problems (Hughes J., 1990 page 18). The Ministry of Education gathers evidence on the outputs of early childhood centre spending in three ways:

- It gathers statistical information on the numbers and types of services and enrolments.
- It examines ERO reports on the quality of services and the quality of roll accounting systems.
- It contracts out research on a variety of selected subjects.

I have used all of these sources of information to give quantitative data for my research.

Investigations based only on qualitative evidence have value, but using the backing of tables of figures helps to give extra authority. Most countries are spending increasing amounts of money gathering statistical data. Information technology makes this “evidence” easier to collect and easier to access. I have found it very helpful to have easy access to statistical information from Ministry of Education and Statistics New Zealand Web Sites. This apparent fixation with numbers seems to confirm the positivist view of social science. I suggest that without information of the social constructs and choices open to the individual the figures are meaningless and it can be dangerous to draw conclusions and formulate social policy from this evidence only.

Analysis of audited accounts

Many providers of early childhood education and care are trusts and incorporated bodies. Their audited accounts are fairly easy to access, without the permission of the centre, but the accounts on their own are of limited use. I found that having the co-operation of service provider staff, management and parents meant that I could examine the thinking behind the financial decisions. The number and range of services being studied is important: trying to examine too many makes the task unmanageable and examining too few makes the research of less value.

I have compared the accounts of organisations for the year before the increase in funding and for the year after. The increase was given from 1st July 1997. For ease of

management I choose to work with providers whose financial year ran December to December. This allowed me to examine the 1996 accounts immediately, and the 1997 accounts in 1998. The benefit of this time-frame is that people's memories of setting the budget for 1998 were still fresh. They would hopefully remember discussions on what was to be done with the unexpected 5% increase windfall.

The important figures to identify in this study are the percentage increase in income, the total dollar amount increase and any increase in expenditure. The significant facts about expenditure would of course be the category of the spending. To identify whether it increased quality, it would need to be spent on staff, equipment or some other area that benefited children. To increase access for families, it would need to be spent on increasing the number of places for children, making places more available by considering location and having more flexible hours or possibly by lowering fees to parents.

I examined how decisions were made in early childhood education centres on how the additional funding should be spent. In this study it was useful to ask whether those involved had any knowledge of what policy makers intended from the increase.

Statistical information

To examine the significance of this research on the public of New Zealand and its possible impact on future government policy it was essential to include information on how many families and children were likely to be affected by the policy. The figures from the 1996 Census have been used for this purpose.

Study of policy documents

The first part of this research was policy analysis. I examined the government documents which I have accessed under the Official Information Act and examined briefing papers and Coalition agreements on early childhood education and care provision. The 1997 budget information and the Estimates of Appropriations contributed to this. Most centres could manage to account for all government funding in wages and simply increase their profit from parents' fees. Examples of this mechanism are included in this thesis through analysis of audited accounts.

Triangulation

The methods which I have chosen provide for both inter-method and intra-method triangulation. Although this necessitated some work on designing interviews and

questions, it resulted in a variety of information, which contributes to the reliability and validity of this thesis.

With critical analysis and reflection triangulation has occurred. I have used a variety of theories and methods to validate my studies. Integrating the group and individual levels of analysis has posed a challenge. The use of two different templates (see page 5) has been useful in providing a methodological framework that recognises the ecological nature of the social systems of early childhood education, individuals within groups, groups within organisations and organisations working at a national level.

Restrictions

Privately owned early childhood education and care centres have to account for their use of government money but not for parents' fees. For the purpose of this research it would be worthless to examine a centre's financial systems unless one had access to the entire information package. As many centres exist to make a profit, their owners may be reticent about disclosing exactly how much of a profit they make. This would be an interesting comment in itself and the comparison between accountability in not-for-profit centres and for-profit centres would be worthy of further research.

This examination does not extend to Te Kohanga Reo. The TKR Trust organises its funding in a way that differs from other services and has different criteria for access and measurement of quality. As I am not Maori and have no direct involvement in the Trust it would be difficult and intrusive of me to research this area.

Confidentiality

To maintain confidentiality, the interviewees will be referred to simply by their interviewee code number wherever possible (see Appendix 12). It was pointed out to some interviewees that because of their position it would be unlikely that anonymity could be guaranteed. In some areas identifying the interviewee adds validity to their argument.

In most of the results areas the interviewee has to be identified by their stakeholder position for comparison and for the research to make sense. Kindergarten teachers and parents were assured that neither they nor their centre would be identified.

Strengths and Limitations of the Study

Strengths

A particular strength of this thesis is its focus on stakeholders' views of the issue. Habermas commented that social science could only be called on as an auxiliary science if supplemented by hermeneutical social science that is the study of interpretations (Peters M. and Marshall J., 1993 page 315). This is a stance which I agree with. In early childhood education where there is much dissension among different groups. People firmly believe in the validity of their stance and it becomes plain that there are no objective, irrefutable truths. Researchers need to study the interpretations.

Anne Smith (Smith A., 1996 page 88) argued that:

so-called objective research is not value free and that subjective values are informed by empirical knowledge. In other words there is no such thing as pure objectivity or subjectivity.

She also said that researchers are part of the socio-political context of society and may have input into the issue of defining quality.

Qualitative method

The use of qualitative methods of data collection and analysis has been most appropriate for developing an in-depth understanding of the viewpoints of the major stakeholders in the early childhood education field. The notion of politics of interpretation is central to analysing policies as text (Peters M. and Marshall J., 1993 page 311).

A purely positivistic approach would not have given the stakeholders an opportunity to interpret the policy. There was no reluctance on the part of interviewees to contribute. Several commented that they had thought before the interview that they knew little and had little of value to say on the subject and they were surprised to discover the depth of their own interpretation of the text. This exercise has much coherence with the notion of reflective teaching which is becoming more popular in early childhood education. Teachers are growing accustomed to considering the social, economic and political context of their own values and the values held in mesosystems and macrosystems.

Quantitative method

The figures available complement the interpretations of the interviewees. It is easier to plan policy and practice in early childhood education when there are some concrete facts to work with. These are often open to interpretation. The Government asserts that

it has increased spending in this area so stakeholders need to be knowledgeable enough to interpret the figures, statements and guidelines.

Credibility

It is the responsibility of the researcher to gather, record and report information as accurately as possible.

Transferability

The goal of this research was to produce some generalisations but also to gain an in-depth understanding of the context of interpretation of a selection of individuals thought to be representative of their respective stakeholder groups.

Limitations

Teachers and parents had to volunteer to be involved in this research. This meant that those who were apathetic or ignorant of the issues were not likely to be included. It is my belief that many teachers, managers and parents in early childhood education are isolated and alienated from the policy process. They only become conscious of the issues when things go wrong.

A further limitation relates to the concepts of quality, affordability and access themselves. As no attempt was made to give definitions of these concepts to interviewees their stories may be based on entirely different concepts of quality. It was anticipated that the stakeholders involved in the research may also have differing abilities to describe and conceptualise their views of early childhood education. This was the case with the parents interviewed. Their knowledge of the subject was at a different level to the other interviewees.

One difficulty I found with this research was the contributing factors. There are many interesting side issues which had to be investigated to contribute to my background understanding of the context but did not contribute directly to the text of the thesis. Information gathered will have to be kept for separate papers or further research topics.

Summary

In the journal “Education Review”, Peters and Marshall designed a 31 step process for defining the “problem” in educational policy analysis (Peters M. and Marshall J., 1993 page 319). As the authors suggest, I have used this as a flexible guideline to reflect on whether I have covered all aspects of the issue.

I have:

- Examined the policy construction and the policy context (I looked at the history of the issue and the official discourse on this).
- Examined the policy text - which involved finding it! There was no clear instruction on the early childhood education bulk funding increase, so some of this research involves searching for and interpreting various documents relating to policy text.
- Identified the constraints of the government and fiscal policies.
- Interviewed individuals who belong to key stakeholder groups and presented their “stories”.
- Calculated and presented quantitative information on possible results of financial investment.

Chapter 5 Results: Context of Construction

Introduction

This chapter will examine the early childhood education funding policy and the process that led up to the increase in funding. I use Codd's model to provide the framework for analysis. I identify the State Agents and the Political/economic conditions which contribute to the Context of Construction and I examine the Context of Construction itself in depth.

State Agents

There are a number of Ministries and departments interested in early childhood education policy. These include the Treasury, the Ministry of Education, the Ministries of Women's Affairs, Pacific Island Affairs and Te Puni Kokiri.

The Officials Committee on Education Training and Employment Policy also included the Department of Social Welfare and until 1997 the State Services Commission. The Education Review Office and the Early Childhood Development (Unit) have some influence in informing policy. The Government partly funds, and may be influenced by, other organisations who are more independent such as the Teacher Registration Board and New Zealand Council for Educational Research.

Lyall Perris gives an interesting view of education policy in New Zealand in the 1990s (Perris, 1998) (see Appendix 2). It examines factors such as who is chosen to be Minister of Education and Associate Minister for Education with responsibility for early childhood education. It looks at who is on select committees and what matters are passed through parliament as part of the budget or under urgency (which means that they are not researched or debated by committees).

Political/Economic Conditions

A significant feature in the political conditions behind this policy is the restructuring of the State.

Offe analyses the relationship between the individual and the state by considering how citizens are creators of the State, are threatened by it and are dependent on it. He discusses the supportive and the antagonistic relationship between political democracy, the welfare state and the market economy (Offe, 1996 page 150). He examines why the goal of a

social security fails to get support. He believes that this is because people are pessimistic about the effectiveness of the welfare state, cynical about the justice of redistribution and concerned that States cannot prevent or treat social problems effectively.

Changes in early childhood education policy are an integral part of changes in the Welfare State. Geraldine McDonald (McDonald G., 1993 page 336-7) describes the social and political conditions which saw the change and growth in early childhood services between the 1950s and 1993. After 1950 the economy needed women to work. There was a growth in health, education and social services which tend to use female employees. There was pressure on government to provide childcare services both as a welfare service and as a right for women. There was a strong early childhood lobby in the 1980s and the 1984 Labour Government was committed to reforms. In 1990 the National Party returned to power and in a climate of economic difficulties the Government began to review early childhood policies. The National Government had a philosophy which emphasised the core family unit, individual responsibility, user pays and targeted rather than universal social assistance.

Cheyne et al, analyse social policy in a restructured State. They examine the boundaries that exist between the private and state sectors (Cheyne C. O'Brien M. and Belgrave M., 1997). This is a relevant examination for early childhood education. The recommendations of the 1980s were for increased funding, regulation and centralised control. The Report of the Joint Ministerial Working Party in 1985 (Bell M., 1985) discussed the transition of childcare from Social Welfare to the Department of Education and recommended increasing funding so that childcare centres were more on a par with kindergartens.

The report further recommended that the level of capital assistance should be increased annually until equity with kindergarten funding was achieved within 5 years. The 1990s have changed this and the Government is now at pains to point out that it does not have any direct ownership of early childhood education. The funding increase of 1989 meant that for-profit, privately-owned childcare centres were eligible for government funding at the same level as community-based centres and the owners had responsibility for determining how the funding was spent (Mitchell L., 1997 page 2). There was a rapid increase in for-profit centres from 300 in 1989 (10% of early childhood centres) to 637 in 1997 (17% of early childhood centres). These changes indicate a growing support for privatisation of service provision.

State involvement in kindergartens has been progressively reduced through legislation. The Public Finance Act (1989) ensured that schools were Crown entities but kindergartens were incorporated societies. The Finance Bill, No2, (1990) allowed kindergartens to charge fees. Bulk funding was introduced in 1992 and most recently the State Sector Amendment Bill (1997) ensured that kindergarten teachers were no longer state servants. Politicians regularly repeat this message.

The government does not own kindergartens it only purchases hours of pre-school education from them John Luxton (Hansard, 1995).

This brings things in a full circle since the recommendations made in the Bailey Report (NZ Consultative Committee on Pre-School Education, 1947).

A State pre-school service should be an integral part of the national school system. Kindergarten and play centres should be absorbed into the State system.

The State took on the responsibility for paying teachers salaries in 1948 and stopped in 1992. In the early part of this century the State gave little funding and had little involvement with pre-school education. Its involvement now appears to be restricted to promulgating regulations and purchasing hours.

Politicians' views

To examine the political conditions relevant to early childhood education in 1997, it is useful to examine the views of politicians at that time. There was little parliamentary debate about the increase in early childhood funding in the examination of Appropriations, but there was plenty opportunity for politicians to state their views on early childhood education in the debate around the State Sector Amendment Bill. The debate that arose on this issue was one of the few this decade where parliament spent a substantial time discussing early childhood education. Helen Clark saw this move as the latest in "new-right initiatives" involving the government wanting to wash its hands of responsibility for kindergartens (Hansard, 1997c).

The Coalition Agreement made a commitment to early childhood education. It is not unusual for election promises to be reneged on after an election. Views on the level of funding necessary in early childhood have changed.

On the 10th of June 1997 Mrs. Jenny Bloxham, (New Zealand First) asked the Associate Minister of Education:

How far does yesterday's announcement of a 5% increase in early childhood education subsidy rates go towards fulfilling the commitments the government made in the coalition agreement (Hansard, 1997b page 2180)?

The Associate Minister replied that the Government was committed to a strong early childhood education system in New Zealand and was well on the way to fulfilling the commitments made in the coalition agreement. When Trevor Mallard reminded the Minister that he had said in December 1996 that in his opinion sessional grants needed at least an extra \$40 million in the coming year, Mr. Donnelly replied that the policies of the coalition partners had been reconfigured and “certain calculations had to be made”. Mr. Donnelly also commented on the early childhood sector’s views on the increased funding saying that the teacher’s union, NZEI, had been “predictably churlish and negative” but the Early Childhood Council welcomed the increase as had Wellington Region Free Kindergarten Association (Hansard, 1997b). Brian Donnelly has frequently made his views clear on the likelihood of ever meeting the demands for funding of the early childhood education sector.

One of the things I have learned since being Associate Minister of Education is that education is an area that has an inexhaustible hunger for additional funding (Hansard, 1997a page 1301).

The State Sector Act certainly highlighted the point made by Cheyne et al that there was a focus on the technical aspect to policy advice. The Minister for Education’s point was that kindergartens should be treated the same as other early childhood education providers. There was no acknowledgement of any theoretical or philosophic stance, no great vision or direction. There seemed little benefit from the State Sector Amendment Bill to anyone, other than to distance the State from involvement in responsibility for early childhood education. This move satisfies the philosophic viewpoint that education of children under five is the responsibility of their parents who should choose what they want and pay for it themselves. In this case the statement that:

Policy advice tends to be limited to technical matters, ignoring broader questions. This limited scope for policy can be seen as the technocratisation of policy advice rather than its professionalisation (Cheyne C. O’Brien M. and Belgrave M., 1997 pages 144-5).

would hold true. The technical problem here was that kindergartens had been able to access more money outside the budget round and that could continue if legislation was not put in place to stop it.

The Context of Construction

Who is who in Parliamentary decision making on early childhood policy?

It is surprising how many of the key players in education policy in Parliament are ex-teachers from one sector or another. Out of the 120 Members of Parliament, 30 had identified, in Who's Who in New Zealand Parliament, that they had been lecturers or teachers. 25% seems a very high percentage. One wonders how their past experience influences their views on early childhood education. The State Sector Amendment Bill (Hansard, 1997c Second reading pages 1337 to 1476) caused heated debate during which many MPs referred to their personal experience and views.

Mark Gosche (Labour) spoke against kindergartens being removed from the State Sector.

I have spent time, with my wife, in kindergartens in our community. She spent a great deal of time on the Auckland Kindergarten Association in the 1980s representing South Auckland.

The education background, or lack of it, of some of the significant people in parliament is discussed in the following paragraphs.

Wyatt Creech, Minister of Education, has no teaching background.

Brian Donnelly a list Member of Parliament for New Zealand First has a variety of education qualifications and worked in the education field for twenty five years. He was a school principal and a part-time lecturer.

Jenny Shipley is one of the few MPs who have been personally involved in early childhood education as she was active in the Playcentre movement for many years. She was a primary school teacher before that.

Part of Mrs Shipley's rationale for presenting the State Sector Amendment Bill was to stop unfairness to others in the early childhood education sector. Would her experience with Playcentre make her more committed to ensuring that kindergartens do not have unfair advantages over Playcentre? Parents tend to have an abiding loyalty to the educational institution that set their children on to the education path.

In the past, because of the State Services Commission involvement, the negotiations have been used by NZEI to secure additional funding for kindergarten associations over and above that already allocated to the early childhood sector through the budget process. This is an avenue to secure extra funding for wage increases that is simply not available to other early childhood providers. The Government is not prepared to allow this inequity to continue in the forthcoming kindergarten contract negotiations.

This Bill will put all parts of the early childhood sector on a more even footing in a number of ways, Jenny Shipley (Hansard, 1997c page 1337).

Winston Peters was also a teacher.

Helen Clark was a lecturer before she entered Parliament.

Views of Members of Parliament on early childhood education

The views of these people might be observed from their contribution to the State Sector Amendment Bill (passed 69 to 51) and the Kindergarten Reinstatement Bill (defeated 67 to 52).

Auckland Kindergarten Association was mentioned frequently in this debate in the most part being used by the Government as an example of why the Bill should be passed. This Association's experience was obviously pivotal in bringing about the removal of kindergartens from the State Sector. The Government strengthened their case throughout the debate by pointing out that if Auckland Kindergarten Association could manage their negotiations then anyone could. It is unlikely that the debate increased Auckland's popularity with other Associations.

Opposition speakers tried to place Auckland Kindergarten Association's experience in a context which made their "go-it-alone" stance appear less than successful. Below is a sample of the arguments for and against the State Sector Amendment Bill (Hansard, 1997c pages 1337-1476). From my knowledge of Auckland Kindergarten Association and teaching in Auckland I would say that none of these views are totally accurate.

For:

Tony Steel:

Last week I met Ron Crawford and Victoria Carter from the Auckland kindergarten Association and heard how well they were going and how pleased their Association is.

Jenny Shipley:

The decision by Auckland Kindergarten Association to take direct control over its own bargaining has had clear benefits to the staff with Auckland kindergarten teachers being paid a higher rate than any other kindergarten teachers in the country.

The kindergarten teachers in Auckland are benefiting from the flexibility and autonomy, not being disadvantaged.

Donna Awatere Huata:

I am informed today by an enthusiastic chairman of the Auckland Kindergarten Association that the delegation has been an unqualified success. It has been able to enjoy the services of a higher paid staff with higher morale and more flexible working conditions. A year ago Auckland Kindergarten Association had 58 vacancies. This number has dropped to 19 because the Association pays higher salaries than any other association in the country. This Association has an elected Council of 12 parents and two teacher representatives and it has been enormously successful.

Brian Donnelly:

I have directly asked the President of Auckland Kindergarten Association how her Association found the situation (negotiating their own Employment Contracts). Her response was that it was the best thing that ever happened to her organisation.

Against:

Liz Gordon:

The reason why wages went up higher in Auckland is that the wages of kindergarten teachers are so low that they cannot afford to live in Auckland on those wages.

Linda Harre:

It is a matter of common knowledge in Auckland that the person who led the Auckland Kindergarten Association down this route towards a separate employment contract is no longer in the employment of the Association and among the reasons for that is the history of controversy over those negotiations. Auckland Kindergarten Association will be on the verge of bankruptcy within the next five years because the money to fill those vacancies will simply not be there.

Damien O'Connor:

Auckland Association has a very impressive line up of people on its committee. While Auckland may be able to manage its budget and raise 30% of its funds by corporate sponsorship and fund raising unfortunately Kindergarten Associations in rural New Zealand are unable to do that.

Trevor Mallard:

I predict that within six months an announcement will probably come from Auckland kindergarten Association that it will start charging fees at least in some of its kindergartens. My prediction is based on careful examination and from good contacts within Auckland (Hansard, 1997d).

The Select Committee for Education and Science

Much of the business of education is discussed at Select Committee and recommendations about the Vote Education Budget are rarely successfully disputed once the Select Committee has agreed them. It is interesting to note, therefore, who is on this committee, their background in education and their views on early childhood education. Views on education are influenced by many factors such as research, political stance and philosophic inclination but I believe that personal experience of the education system is a strong influence. Tau Henare, in introducing himself to early childhood education community, talks about himself as a committed father and his children's involvement in Te Kohanga Reo (Henare T., 1998).

The Parliamentary biographies note the number of children MPs have. This must be considered to be a relevant fact and for the context of this study one would presume that in most cases it would extend the MPs personal experience of the education system.

Shane Ardern:

National Member for Taranaki-King Country (two children) has no background in education, either by qualification or experience.

Donna Awatere Huata:

List Member of Parliament, Act, (seven children).

Spokesperson on education and Education Review Office

Qualified in teaching and educational psychology; worked for 10 years as an educational psychologist in Otara.

Liz Gordon:

List Member of Parliament, Alliance (two foster children, one daughter).

Spokesperson for education, Senior Lecturer in Education Policy at Canterbury University - BA. She has published and lectured widely on education and social policy issues both within NZ and overseas.

Neil Kirton:

List Member of Parliament, Independent ex New Zealand First (four children).

Mr Kirton was President of the University Teachers Association.

Janet Mackey:

Member For Mahia, Labour (three children).

Associate Spokesperson on education (with special interest in early childhood, special and rural education). Member Mangapapa School Board of Trustees 1989-92. Founding president of Mangapapa Free Kindergarten in Gisborne which is now closed.

Tony Steel:

Member for Hamilton East, National (three adult children).

Chair of the Education & Science Select Committee; 1979-90 (and present).

Headmaster, Hamilton Boys' High School; 1977-79 Deputy Principal, Tauranga Boys' College; 1966-77 Secondary School Teacher both here and in Australia. In 1988 awarded a Woolf Fisher Travelling Fellowship to North America, the United Kingdom and Europe for services to education.

Belinda Vernon:

Member for Maungakiekie, National; has no background in education, either by qualification or experience.

Jill White:

List Member of Parliament, Labour. Previously secondary school teacher NZ and Samoa (VSA) 1965-72. (<http://www.govt.nz>,)

In summary these are the backgrounds on the members of the Education and Science Select Committee. Given the importance and difficulty of their job one would hope that they had some experience, knowledge, enthusiasm and commitment for the position and that they were chosen for their skills not just their availability.

Table 4: Education sector experience of Members of the Select Committee for Education and Science.

Party/Name	Electorate or List	Qualifications or Experience in Education	Children?
National/T. Steel	E	Teacher	3
National/B. Vernon	E	0	0 (or none mentioned)
National/S.Arden	E	0	2
ACT/D.A-T	L	Teacher	7
Alliance/L.Gordon	L	Lecturer	3
Labour/J.White	L	Teacher	0 (or none mentioned)
Labour/J Mackey	E	Board of Trustees & Kindergarten Association	3
Independ/N.Kirton	L	Education Union President	4

Conclusions

The people who influence education policy decisions in parliament are chosen to be on select committees more because of political convention than personal expertise. Of the National members of the Select Committee, only one has any previous involvement in the education field.

There are a mix of List M.Ps and elected M.Ps. It is beyond the scope of this research to speculate the influence of that fact. In Parliamentary debates Members speak in support of their party's Bills. It is only in conscience votes that personal views which are contrary to the "party line" are in evidence. The other occasion where personal views become public is where individual M.Ps depart from their party and become independent.

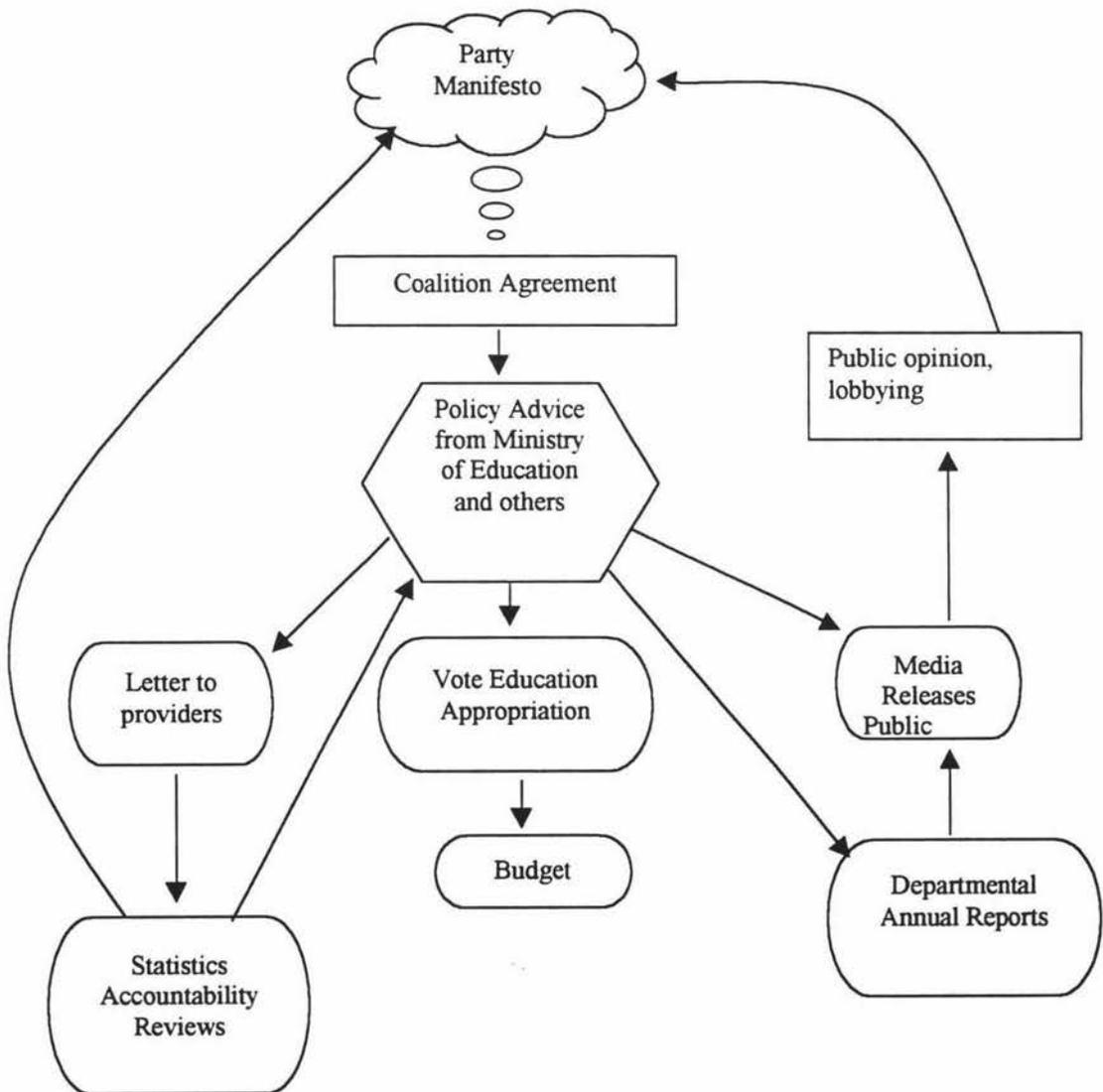
Chapter 6 Results: Policy Text

Introduction

This chapter identifies government policy in relation to early childhood education. It analyses and summarises the main points that are pertinent to the consideration of the funding increase. There was no clear, direct policy advice from Government to early childhood education providers so it was necessary to search for the policy text. Information was available but was not easily accessible.

I include a flow diagram to indicate the progress of the policy text from inception to implementation.

Figure 3: Progress of policy text.



Manifesto

The Coalition Agreement between National and New Zealand First forms an important precursor to the current policy environment. This agreement would be based in part on the political party manifesto on which the parties gained votes in 1996. New Zealand First promised many improvements. Their philosophy stated that New Zealand's social and economic wealth would be determined by investment in education. Their aim was to have citizens who were not dependent on the Welfare State.

Their manifesto included "Policy and Solutions-the First Five Years". These are the "solutions" which would be likely to affect bulk funding.

A commitment will be made to the full implementation of the recommendations of the Meade Report.

Immediate restoration of funding levels to that which existed in 1990 before the change of government.

New Zealand First will cease to bulk fund kindergartens and will work with Kindergarten Associations to establish fair and equitable staffing ratios (New Zealand First, 1996 page 1).

The National Party was much less specific in financial promises. Their policy in this area was set some time before the 1996 election and is a continuation of their programme in this area since 1990. As National was in power its policy was published in such documents as "Education for the 21st Century". This was published by the Ministry of Education but was in effect the National Party stance on education.

Statements were made about the importance of the early years "for providing a strong foundation for success later in life" and "providing support for parents to become more confident in their parenting role" (National Party, 1994 page 15). National commits itself to continued growth in the number of enrolments but not to any increase in funding per child.

Coalition Agreement

The "key policy initiatives" (Smith K., 1997a) are outlined in Schedule A. of the Coalition Agreement. Significant additional funding (minimum \$10 million) over and above current levels of expenditure will be made available to support further development in the early childhood sector.

The fundamental principles of the Coalition Agreement are to:

Section 3.2 (i) to provide health and social services vital to the well being of a fair and compassionate society and in particular focus on those, who through misfortune or bad luck have become over represented in the statistics of dependence, educational failure, ill health, child mortality and law breaking.

Section 3.2 (j) to encourage the maintenance of values in society that support family units, respect for one another and the fundamental institutions of society (Smith K., 1997a).

This agreement leads on to general statements on education policy.

Policy Advice Papers

There were a variety of papers issued from the offices of the Ministry of Education which give guidance to the Minister of Education (see Appendix 14). It was useful to examine these to analyse the rationale behind policy changes. Helen Clark gave an indication of how she believed decisions were made. She emphasized the influence of advisors working in Ministries and Treasury offices.

To find the real power, go to the advisors in the Ministry of Education. The Treasury officials would be very powerful too and then it will served up to Ministers (Int 5).

I examined what written advice had been given to the Minister of Education.

Summary of Policy Advice Papers

The Coalition Agreement set the scene by affirming commitment to providing social (educational) services particularly to those at risk of “educational failure”.

The words access, affordability and quality were repeated throughout papers although rarely with any details of what was meant by the terms. The only reference to how the 5% increase would ensure affordability being “reducing the likelihood of fee increases” (Smith K., 1997a). There were references to the fact that the Ministry of Education was aware that there were increased costs in wages for early childhood education employers.

The provision of professional development

One of the Government’s aims was to improve quality. Part of the Vote Education expenditure was for professional development contracts. Unfortunately there is insufficient professional development time paid for by Government to cover all New Zealand centres so priorities have to be set.

The Service providers are instructed to target particular groups.

Contractors should be mindful of these groups: services in remote and rural areas, Te Kohanga Reo, newly licensed Pacific Island centres (Ministry of Education, 1997).

Priority will be given to: services in rural areas, provincial urban or low socio-economic areas, newly established services as well as services/centres at risk and identified by ERO or MoE as having compliance issues (Ministry of Education, 1998).

Kindergartens

Connections were made between the removal of kindergartens from the State Sector Act and the increase in funding (mostly in relation to how the knowledge of the funding increase would be necessary for them to negotiate their employment contracts). There

was no acknowledgement of any notion that kindergartens were being compensated for being withdrawn from the State Sector Act by having increased funding.

The government and its advisers were at pains to neither advantage nor disadvantage the kindergarten sector. However it appeared that kindergartens should be made aware that they were in a positive position having most to gain from the 5% increase.

Kindergartens stand to benefit the most, because they already receive a higher rate of funding than other types of services (Barbara Annesley) (Smith K., 1997b).

Vote Education

Government Strategic Focus on Education

The Government does indicate its focus on early childhood education in a general manner.

Early Childhood Education

The sector is noted for its diversity and rapid growth over recent years, and standards of care and education vary widely. Current policy is to apply taxpayer funds consistently across the diverse providers, with a premium for quality to encourage continual improvement. The policy aims to ensure widespread availability and compliance with quality standards.

Regulation and accountability requirements need to be kept under scrutiny to make sure they contribute to improving supply, participation, involvement and quality. The Government will continue to focus on quality through training, and on lifting participation by Maori and Pacific Islands children (New Zealand Government, 1997).

Estimates of Appropriations

It is necessary to identify the text in the Estimates of Appropriations for the Government of New Zealand (The Treasury, 1997) as it is one of the few places where the aims of the funding are stated.

An increase in Vote Education, other Expenses, to be incurred by the Crown Appropriation, early childhood education of:

- \$13.255 million in 1997/8
- \$13.969 million in 1998/9
- \$14.677 million in 1999/2000

(all GST inclusive), for a 5% increase to the hourly funding rates for licensed and chartered early childhood services from 1st July 1997. (1997 Budget Initiative Submissions, Vote Education).

Aims

To raise the quality of education in New Zealand and to enable the sector to better respond to the need of an increasingly diverse population. (researcher's emphasis)

Policy Initiatives

Major policy initiatives include:

New early childhood education expenditure in the 1997 budget to provide a 5% increase in the hourly subsidy paid to early childhood services that are licensed and

chartered, and align the hourly subsidy for under-two-olds for Playcentres with the rate paid to other providers (Peters, 1997).

Statement of Objectives and Trends

The Estimates of Appropriations also outline general trends in society and in education in particular. This section gives further detail of the expected results of the increased expenditure (The Treasury, 1997).

Government Outcomes

The outcomes illustrate the human capital philosophy espoused by Government.

2. Progress towards becoming a more highly knowledgeable and skilled nation by maximising educational gains in cost-effective ways, responding to individuals and groups with diverse and special needs and/or who are at risk of poor educational outcomes, reflecting the changing skill and knowledge requirements for a modern international economy and encouraging excellence and lifetime learning. Particular emphasis will be placed on:

2. c developing an early childhood sector that has *high participation* rates for key groups, including Maori and Pacific Island children: provides a *high quality learning* environment; and *assists* the development of strong and effective *parenting skills*.
(researcher's emphasis)

To support the achievement of the Government's outcomes, the appropriation funded a wide range of activities, including purchasing early childhood education services from private and community providers for children up to six years of age, where parents chose to use those services (The Treasury, 1997).

Performance Measures

Quantity

It was expected that increased subsidised hours would be provided by licensed and chartered early childhood services. Kindergartens were expected to provide an increase of 2,000,000 hours over the previous year (The Treasury, 1997). As each 45/45 kindergarten provides approximately 1080 hours per week for 41 weeks per year this would be equivalent to approximately 45 new kindergartens.

Summary

This was the policy text. It appeared that the Government's aim with this funding was to *increase the participation rate* in early childhood education of groups who were

traditionally under-represented and *to provide quality early childhood education*. None of the documents examined here specify how quality was to be measured. The only reference made to quality was that there was a need for “high quality learning environments” (Estimates of Appropriations). Additional points were that *parenting skills should be developed* (Coalition Agreement) and early childhood education should *be responsive to the needs of an increasingly diverse population*.

1997 Media Releases

Media releases are detailed in Appendix 13.

Summary of media releases

There were no instructions given to early childhood education service providers when they were informed by letter from the Ministry of Education of the 5% increase. There were public statements made and I have used these as indicators of Government’s intended outcomes of its investment.

These statements had common themes; specifically that the Government intended to achieve:

1. Quality in early childhood education, recognising that there is a relationship between this and stability of staffing, qualifications, pay and conditions.
2. Affordable services.
3. Services which are accessible to all.
4. Services which are self-managing.
5. Equitable treatment by Government of all services providing early childhood education.

Conclusion

All the policy text indicated that there was concern that early childhood education providers be treated equally.

Early childhood services were to make choices as to how to use the funding increase in a way that they thought would best meet the needs of children. There were clear indications that the government expected:

- Higher quality.
- Services which were not too expensive for parents, especially those parents whose children were particularly in need of educational support.
- Greater access.

The only way to provide greater access is to provide early childhood education for more children or to provide more hours for the same children.

The questions that arose from this analysis formed the basis for researching the context of interpretation.

Chapter 7 Results: Context of Interpretation

Section A of the chapter looks at the quantitative evidence available on changes in quality, affordability and access.

Section B of this chapter compares the expectations of various individuals from stakeholder groups. Expectations were dependent on knowledge and involvement with the sector. Objectivity on the part of the interviewees was not expected. These people have values, ideological perspectives and paradigms that they work from. I examined the issue of increased bulk funding in its context to illustrate how different stakeholders viewed the construction of the policy and how they interpreted the policy text.

The responses to each question are examined, analysed and summarised.

Section A: Quantitative Results

Introduction

This section will examine the results of the expenditure based on the quantitative information which is available from Ministry of Education, Statistics New Zealand and other sources. The statistical information on participation and outcomes of early childhood education is often not available for some considerable time after the period to which it applies. The statistics about the numbers of children attending centres is calculated from roll returns which centres are required to send to the Ministry of Education in June each year. The finalised figures are not usually made public until January of the following year. Therefore any increases in numbers of children attending centres because of the 1997 budget would not be available until January 1999.

This makes the policy analysis process very slow and not always based on accurate information. The Performance Standards for 1996/97 state that 11,500 transactions would occur and those for 1997/98 state that there would be 10,000 transactions. A note explaining the reason for this apparent drop is that more accurate data is now available (Ministry of Education, 1998a page 43). Some services have submitted their roll returns for July 1998, so it is possible therefore to track the progress of the services studied in this research.

The information on the outputs of this area of expenditure is available in Ministry of Education documents. In 1997 the Ministry of Education expected to deliver funding to

3400 licenced centres in the 1996/7 year. The statistics published in January 1998 showed that there were 3234 licenced services serving 147,044 children in the year June 1996 to June 1997. It is difficult for the Ministry of Education to accurately measure how many children they are reaching because some children may attend two centres at different times.

Output and Outcomes: What did they want?

There were clear indications that the government expected:

- Higher quality.
- Services which were not too expensive for parents, especially those parents whose children were particularly in need of educational support.
- Greater access which could be achieved by providing early childhood education for more children or providing more hours for the same children.

What did they get?

Quality

There are some structural variables relating to quality which are measurable. The “iron triangle” of adult/child ratios, group size and teacher education/training is measurable. The tables relating to centre size and enrolment numbers are formulated from figures available from the Ministry of Education Data Analysis and Statistics Department. Other structural variables are also measurable - rates of pay and staff turnover.

Adult/child ratios

The number of teachers in kindergartens has remained constant. The ratio remains at 1:15 officially but as some kindergarten do not have full rolls the average is more likely to be 1:12. Some kindergartens have chosen to employ teacher aides from locally raised funds. Associations have not been able to employ extra qualified teachers.

Lythe found the ratios to be:

Kindergarten have average staff to child ratios of 1:12, Playcentre had an average ratio of 1:6, Childcare centres had ratios of 1:5 (Lythe C, 1997 page 59).

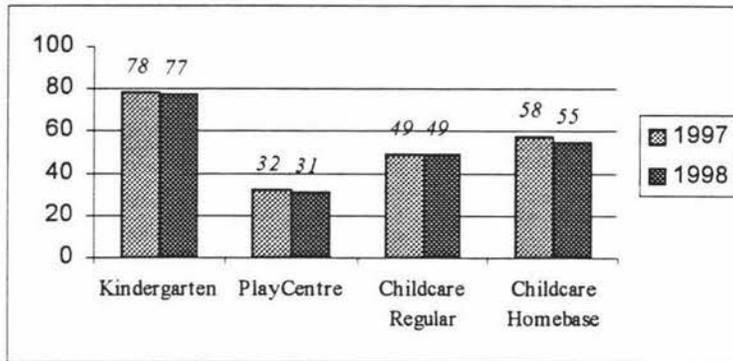
Ratios in childcare centres are difficult to measure from Ministry of Education statistics as the staff have different duties and break times, the numbers of children change with children arriving and leaving at different times. Some childcare centres work on a sessional basis and could have ratios of 1:15, but in my experience, few do. There have

been no major changes in licencing requirements and there was no indication from my research that ratios had changed in the childcare centres.

Group Size

In some services there are a greater number of centres serving a smaller number of children in 1998 than was the case in July 1997. There has been a drop in the average number of children enroled at each centre.

Figure 4: Change in centre roll size in Kindergarten, Playcentre and Childcare centres.



There has been a slight decrease in numbers in most services. At a macro level this is significant; at micro level one child less in a group *may* improve quality.

Teacher education/training

There are more training providers accredited to deliver a Diploma of Teaching (Early Childhood Education) now than there were in 1997. There are 14 identified by Dr. Meade in her discussion paper. (Meade A., 1998a) and the Teacher Registration Board indicated that there are now (December 1998) 17 training providers who meet the criteria.

One could either assume that more training providers would be producing a larger quantity of qualified staff or that students were leaving the traditional providers (Colleges of Education) to alternative providers. As training providers are in competition with each other I have found none in Auckland inclined to give figures as to the numbers of suitable applicants for 1999. Several have indicated that they are satisfied with the applicants for next year and will be able to run the classes they expected.

Stability of staff (low staff turnover being desirable)

There are many other factors affecting staff retention. Leadership and organisational culture are important factors.

There was no significant difference between the average hourly rate of pay or the total conditions of work for staff who stayed and staff who left. About 14% of the sample

went on to another better paying job. There was definitely some overlap in this with people unhappy about the job often getting a better job offer and leaving. By far the most common reason for dissatisfaction was conflict with the supervisor or staff conflict generally. Only four staff said that they did not feel that their pay was adequate. (Smith A., 1995 page 30).

Auckland Kindergarten Association acknowledged that it was in a poor condition by the end of 1996 because of high staff turnover.

We started this year with a chronic teacher shortage. The teacher crisis situation facing us last year has eased somewhat. Increasing teacher's salaries, improving conditions and continuing to find ways to retain our valued, qualified teachers has gone a long way to addressing the problem. A significant increase in most teacher's salaries during our contract negotiations meant more teachers felt happy to stay (Auckland Kindergarten Association, 1997 pages 4 and 5).

Auckland Kindergarten Association has twice as many kindergartens as Wellington Kindergarten Association but for the past four years has suffered from more than twice the teacher shortage. Since 1996 Auckland Kindergarten Association has paid higher salaries than other Associations but it still continues to have a higher rate of staff vacancies. This suggests that there are factors other than pay which cause the staffing problems.

Auckland Kindergarten Association was substantially restructured in 1995 and again in 1997. It has had a number of General Managers since 1993 which makes the question of leadership problematic. Teachers are currently expressing disappointment in the resignation of their most recent manager after he had spent 16 months in the position.

The figures below illustrate the difference between teacher vacancies in Auckland Kindergarten Association and Wellington Kindergarten Association. Figure 6 on page 75 shows the figures as though the two Associations were the same size.

Figure 5: Auckland and Wellington teacher vacancies, actual numbers.

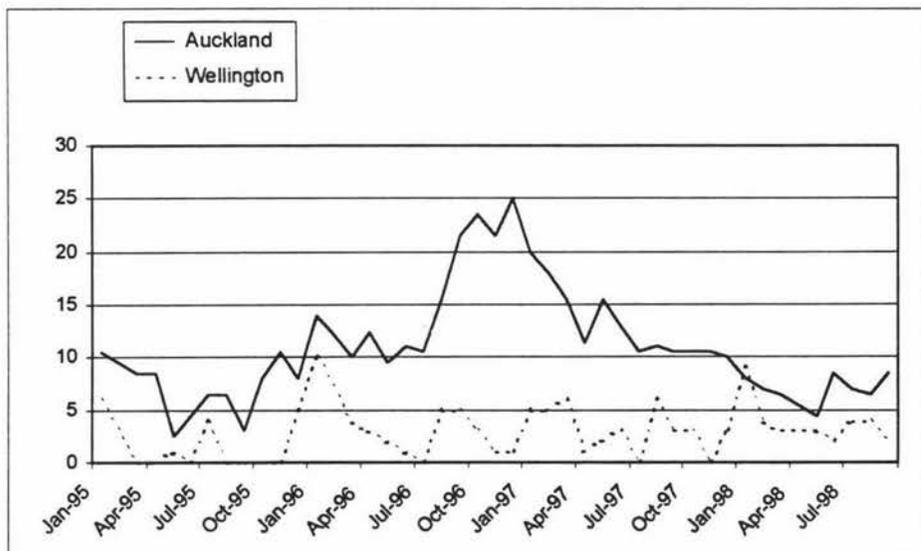
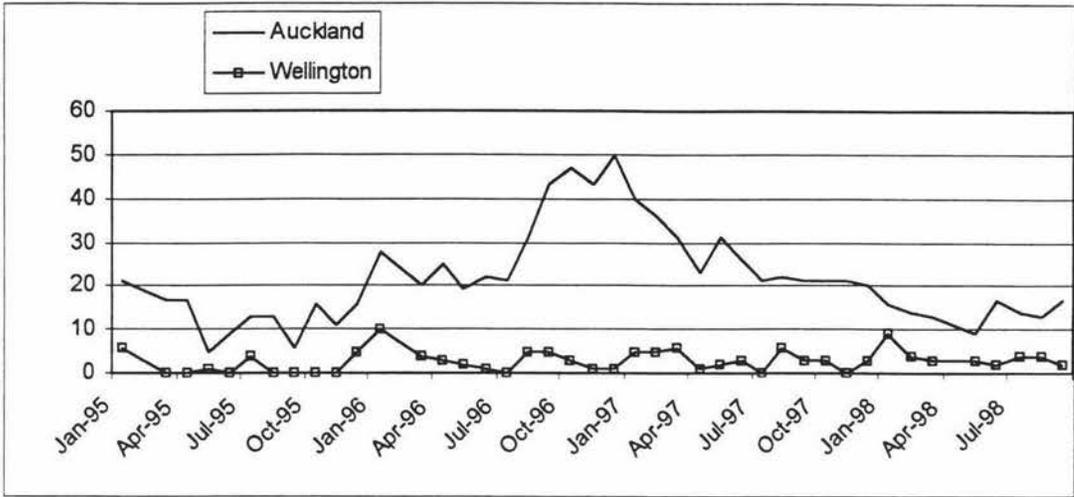


Figure 6: Teacher vacancies in Auckland and Wellington Associations with Auckland vacancies divided by two for comparison.

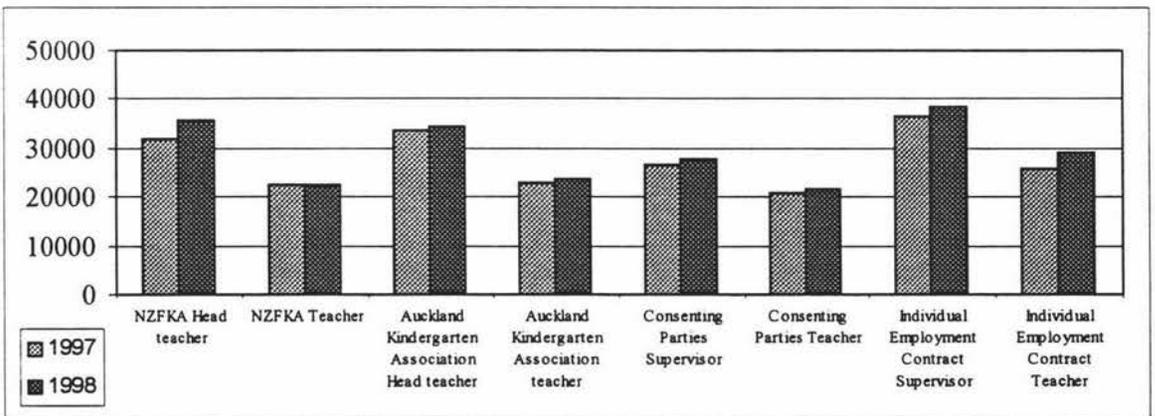


Good rates of remuneration

Generally speaking the higher the average hourly rate of pay the higher the quality of the childcare environment (Smith A., 1995 page 33).

Wages have increased for many early childhood teachers in the past year and the increase in bulk funding may well have facilitated this. Kindergarten salaries could not have been increased without an increase in bulk funding as bulk funding accounts for the major part of Association’s income. Childcare centre salaries, national collective contract or individual contract, do tend to go up in line with kindergarten as employers are competing for the same scarce qualified staff.

Figure 7: Changes in rates of pay, 1997 to 1998 (Gross annual salary in dollars).



Figures from various Employment Contracts, (NZEI various Employment Contracts).

In Auckland Kindergarten Association the wage bill has increased (see Appendix 7). The Interim Financial Report which is published after July each year shows that:

1996	the expenditure on staff expenses was 5,217,584
1997	5,724,525 (9.72% increase)
1998	5,882,574 (2.76% increase).

Linda Mitchell of NZEI spoke of the increase in quality through increasing wages but pointed out that many people working in childcare centres are working under Individual Employment Contracts. I found no national research on levels of pay in early childhood education available in New Zealand at the moment. The Early Childhood Council conducted a survey of salaries in 1996 (Early Childhood Council, 1996) but it was limited to childcare centres and unfortunately this information becomes dated quickly.

So I can say from the perspective of improving pay and conditions for staff that it has improved quality or I would expect it to. But only for those centres who are party to union negotiated collective contracts. We have no idea what has happened to the pay and conditions of other workers in Childcare centres. There are huge numbers now who are not unionised and do not have a collective contract probably 1500 out of 8000 (Int 1).

Affordability

There have been no large-scale surveys studying childcare fees since 1994. In Auckland, the rates of fees vary substantially from one socio/economic area to another. There is speculation that the increase in bulk funding may have held fees but I found no instances of fees being reduced.

I surveyed 10 centres to see what their fees were and whether there had been any change in fees charges in the past year. For simplicity only full week's fees with no discounts were surveyed.

Key:

- PP Privately owned centres are coded PP (private providers) as this is how the Ministry of Education categorises them.
- NFP Community-based centres are not-for-profit (NFP).
- * employer has no concerns about retaining Diploma'd staff.
- √ employer has concerns about retaining Diploma'd staff.

Table 5: Childcare Centre fees

Centre	Full week's fees for over twos	Full week's fees for under twos	Any change in fees since July 1997	Decile rating of nearest primary school	Concerns about trained staff retention
PP 1	160.00	180.00	New centre	9	√
PP 2	150.00	165.00	No change	10	√
PP 3	125.00	140.00	Up in July 98	8	*
PP 4	120.00	135.00	No change	5	*
PP 5	120.00	140.00	Up in Sept. 98	2	√
NFP 1	100.00	120.00	No Change	1	*
NFP 2	130.00	150.00	Up in Oct. 98	2	√
NFP 3	135.00	160.00	Up in Oct. 98	9	√
NFP 4	125.00	150.00	May go up in Dec 98	8	√
NFP 5	126.00	146.00	Up in Nov. 98	6	√

It is interesting that in the November 1998, two community-based childcare centres in this area have announced that they will be closing down, citing low enrolments and financial problems as reasons for closure (Mt Albert Primary School Centre and Kelston Girls Grammar School centre).

The means-tested benefit Childcare Subsidy is intended to assist families on low incomes to access fee-paying early childhood education services. It has now been index-linked so it will increase if prices increase. There is no evidence to suggest that services are more affordable. Childcare subsidy does not increase when centre fees increase.

Lower income families spend proportionally more of their income on education than higher income families. Even when there is a donation not a fee, I have found that some parents are fiercely determined to for pay their child's education.

Lower income families spend more per household on education than those on average incomes. The figures below are for average household and take no account of the number of children in the households. In the majority of areas of spending, lower income people have lower expenditure but in education it is higher.

Table 6: Average weekly household spending on health and education.

	Average household	Bottom 10%	Top 10%
Annual Household Income (\$)	34,700	13,100	88,000
Household expenditure on Health (\$)	14.90	9.60	28.30
Household expenditure on Education/Tuition (\$)	11.30	15.70	29.30
Total Household expenditure (\$)	107.10	63.30	247.70
Education expenditure as % of total expenditure	10.6%	24.8%	11.8%

(Statistics New Zealand, 1998).

Access

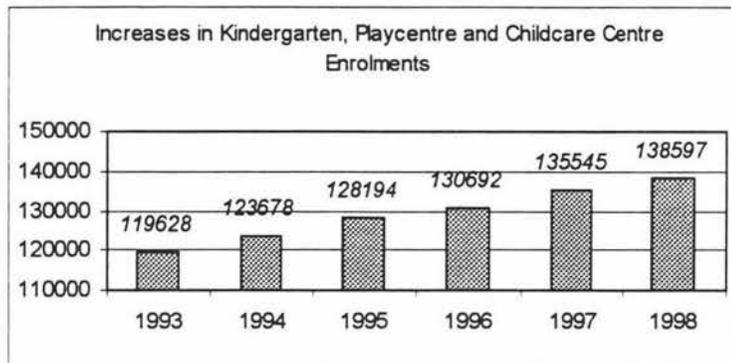
What type of access to education do New Zealand people want? There are clear indications about the growth in enrolments in different types of services. 1993 seemed to be a turning point for many services. Kindergarten enrolments have remained more or less static, Te Kohanga Reo has decreased, Playcentre lost substantial numbers while childcare centres, both regular and home-based have increased dramatically (see Appendix 4). There has been a gradual increase in enrolments overall since 1993. There are more children aged under five in many areas (Newell J., 1997). If the rate of increase changed significantly in 1998 it might indicate that the Government's intention of increasing access by increasing bulk funding had been successful.

This does not seem to have been the case. The rate of increase is slowing down if anything. The trend to increased numbers in childcare, that has been evident since 1993,

is continuing. This suggests that there are factors other than bulk funding influencing the growth in the number of centres and the number of enrolments. If the increase in bulk funding were going to improve access one would expect an increase in the rate of growth in the 1997/8 year but there has been a decrease in the rate of growth.

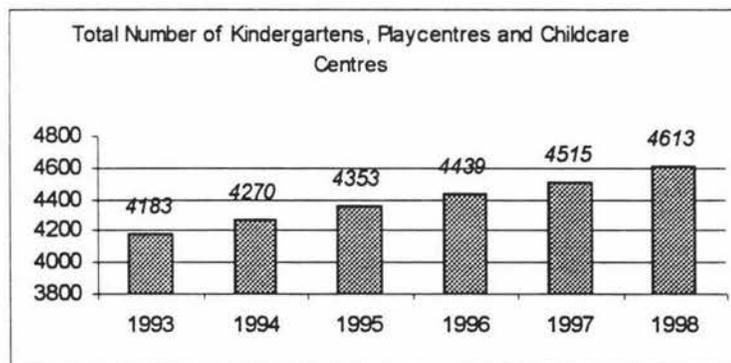
There was a 3.8% increase in the number of enrolments in licenced centres between 1996 and 1997 and a 2.3% increase between 1997 and 1998 (*Calculated on Kindergarten, Playcentre and Childcare Centre only as figures for Te Kohanga Reo were not available for 1998*).

Figure 8: Increases in Kindergarten, Playcentre and Childcare Centre enrolments.



(Ministry of Education, 1997b). 1998 figures were obtained directly from the Ministry of Education.

Figure 9: Total number of Kindergartens, Playcentres and Childcare Centres.



The growth in the number of centres is more in some areas than others. There was only one more kindergarten in existence in the year July 1997 to July 1998 than in the previous year. This is nowhere near the 45 mentioned in the Performance Measures of the Estimates of Appropriations (The Treasury, 1997). “Kindergartens were expected to provide an increase of 2,000,000 hours over the previous year”. As each 45/45

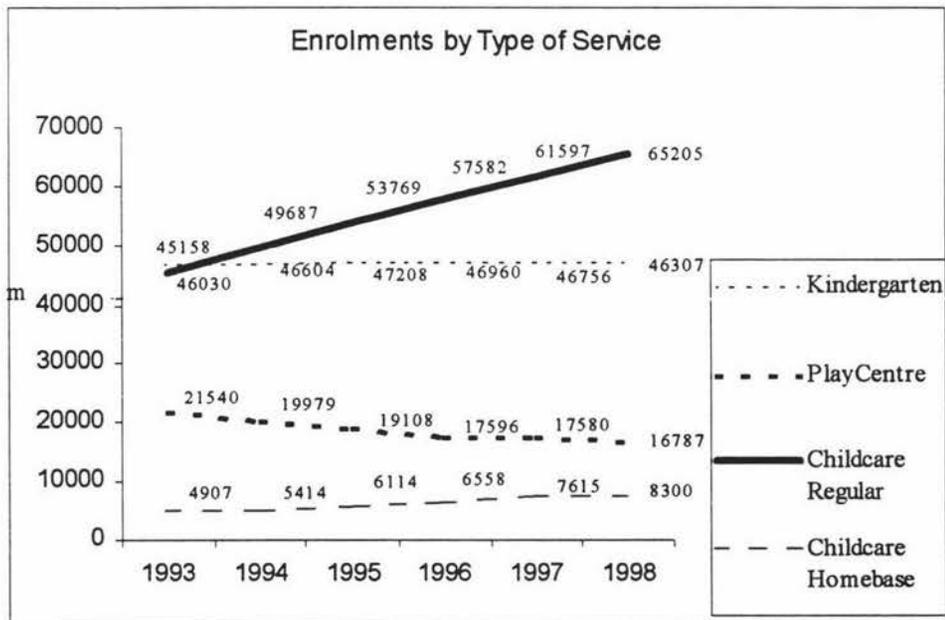
kindergarten provides approximately 1080 hours per week for 41 weeks per year this would be equivalent to approximately 45 new kindergartens. These hours have not been made up by existing kindergartens taking more children as is illustrated in Figure 10 on page 80.

I was given precise figures from Ministry of Education Data Management and Statistics Department on the types of childcare centres opened this year. Between 1st January 1998 and December 1998 ninety four childcare centres have opened. These are made from the following types of service:

Childcare, casual	4
Childcare Centre, privately owned	64
Childcare Centre, community based	24
Childcare Centre, corporate	2

The increase in the bulk funding appears to have encouraged more private centre owners to open centres than any other group. Community organisations are able to apply to Ministry of Education for discretionary grants to help them set up centres but this has not been sufficient to encourage the growth which is evident in the for-profit sector. The 1998/99 Early Childhood Discretionary Grants Scheme: General Pool had \$2.885 million to allocate but received over \$7 million of applications (Webb R., 1998).

Figure 10: Changes in enrolments by type of service.



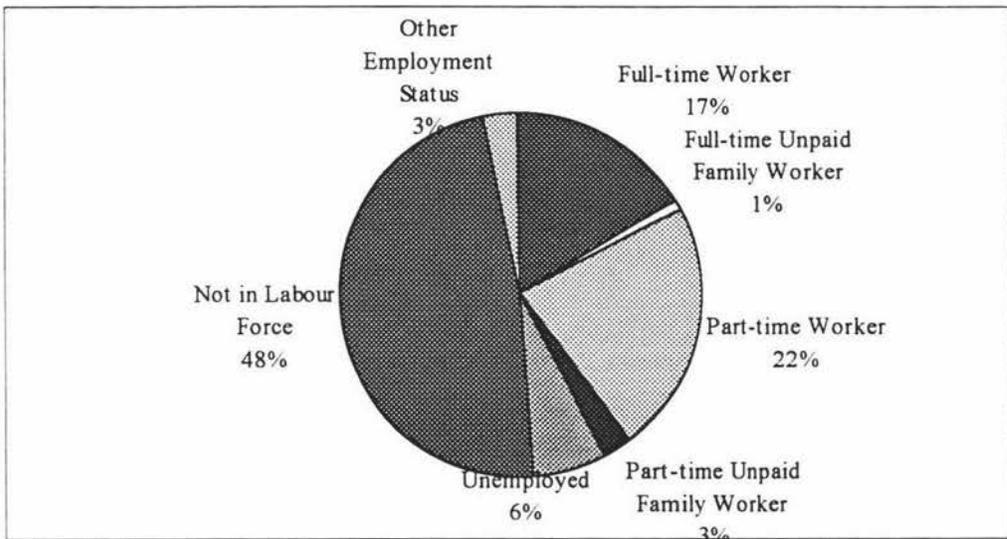
Figures from Ministry of Education, Data Analysis and Statistics (Ministry of Education, 1997b). 1998 figures were obtained directly from the Ministry of Education.

Research into the number of hours a child spends in an early childhood education centre indicates that the majority of children (86%) spend 15 hours or less per week in a centre. (Lythe C, 1997 page 42). This suggests that for the majority of parents, the early childhood centre was not likely to be used to allow the primary caregiver to take up paid employment. Lythe found that 80% of her respondents either did not have paid work or worked less than 20 hours per week.

There has been a trend towards mothers in two parent families being in paid work. Mothers of 53% of children under 15 years old in two-parent families were in paid work in 1991 compared with 46% in 1981 (Statistics New Zealand, 1995 page 48).

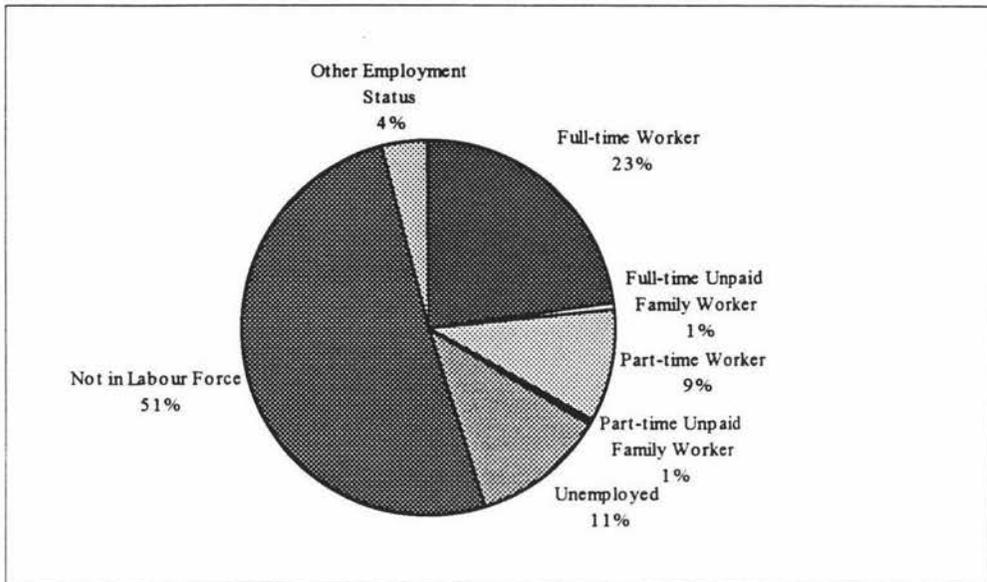
The numbers of mothers of pre-school aged children who are working is less but there are still a significant number of mothers either in full-time or part time employment.

Figure 11: Employment status of mothers of children under five.



(These figures were prepared from data accessed directly from Statistics New Zealand, 1996 census data).

This does not necessarily mean that the parents will need childcare. The numbers of Pacific Island children using early childhood education centres is lower than the general take up rate (Ministry of Education, 1997b) but the proportion of Pacific Island mothers in full time employment is higher than average. This suggests that Pacific Island mothers make care arrangements for their children other than using licenced early childhood education centres.

Figure 12: Employment status of Pacific Island mothers of children under five.

There are other demographic changes which suggest that there might be greater numbers of children needing early childhood education in 1997/8. Although the birth-rate dropped in 1998, (<http://www.stats.govt.nz/statsweb.nsf/52>, 1998) it will be a few years before this decrease is felt in early childhood education. There is expected to be a slowing down in demand due to the decreased birth-rate from the year 2000 onward but there may be increased demand for other reasons. A quarter of families with pre-school children are one-parent families and might need more community support (<http://www.stats.govt.nz/statsweb.nsf/52>, 1998).

Other population characteristics which indicate a need for early childhood education were identified by Newell (Newell J., 1997) in his Report on Current Service Provisions and Projected Population Changes 1996-2001. These factors included concern for children "at risk", the growing proportion of Pacific Island and Maori children and a growing number of new immigrant children. He identified that different geographic areas would have different demands. Auckland is a major growth area. (Newell J., 1997 pages 7-8). The population peak for the three to fives in Auckland was estimated to be between 1997 and the year 2000 and to gradually decrease from then on. There may be lower gross numbers of children under six after the year 2000 (Benseman J. & Wardlow F., 1994 page 2). It is clear that access has not been improved.

Section B: Qualitative Results

Introduction

Interviewees were read this statement:

The government increased bulk funding to all licenced early childhood education centres in July 1997.

Government documents indicate that they expected certain results from the 5% increase in funding. These were:

- higher quality
- affordable early childhood education services (which were not too expensive for parents).
- greater access.

Early childhood education providers were free to use this funding in the way that they think would best meet the needs of children.

Interviewees were interviewed using the script described in Appendix 5. The description of the expected results arose from the investigation of policy documents as detailed in Chapter 6. The stakeholder groups used are compatible with those identified by Codd in his “Materialist conception of policy text” discussed in Chapter 4 (Codd J., 1995 page 104). Results have been summarised in table form at the beginning of some question sections.

Question 1: Was an increase in bulk funding expected? If yes - how much?

Table 7: Did you expect any increase in bulk funding in 1997? If yes, how much?

Group	Yes	No	5%	More	Less
Politicians	√			√	
Bureaucrats MoE	√		√		
Bureaucrats NZCER	√				√
Business Sector Management	√				√
Business Sector Governing Body	√				√
Parents		√√√			
Teachers	√√√	√√√√√√			√√
Union	√			√	

Politicians

Most political parties state support for early childhood education in their pre-election manifesto.

The background to it was that the Coalition Agreement said that there would be more money, so there was an expectation that there would be more but my checking reveals that the amount announced in May 1997 was only about half what had been promised. I guess the promise didn't live up to expectations but there had been pressure on for some time for more funding. Labour had promised more funding in the 1996 manifesto. New Zealand First had a promise for more funding. They ended up in the Coalition Agreement then they came up with half of what they promised so there had to be more money I guess, it was just a matter of how much (Int 5).

Bureaucrats, Ministry of Education

The Ministry of Education's advice to the Minister in November 1996 was that the restoration of margins in early childhood funding subsidies was one of a list of Vote Education risks that the Government was likely to have to consider as part of the forthcoming budget cycle. This was because of the likely pressure to increase the rates that applied to the non-kindergarten sector, following the then recently announced increase in the sessional funding rate for kindergarten.

It was proposed that a 5% increase in early childhood sessional funding rates from 1st July 1997 be sought. The factors taken into account by officials in arriving at this level of increase include the amount of additional early childhood funding, signalled in the Coalition Agreement and the general cost pressures in the early childhood sector, including recent trends in wage settlements.

Bureaucrats, NZCER

Dr Meade remarked on the lack of increase in bulk funding since it had been brought in but she pointed to the 1997 increase just keeping up with costs. The amount given in the budget is far short of the \$4.00 an hour recommended in the 1988 report (Meade A., 1988 page 67).

It was about time and there was quite a push. The real costs of provision of education were climbing, there had not been a substantial increase in bulk funding for some time. It may well have just been tied to that. The time had come to do something about bulk funding and other projects would go further down the priority list (Int 2).

Business Sector, Management

Early childhood education services are governed by either their owners, if privately owned, an elected body, if a community trust, or an appointed manager if the service is in corporate ownership. The responsibility for managing the budget lies with the governing body but the task is often delegated to the day-to-day manager (Wilson A. et al., 1996).

In large Associations this is the Executive Officer. In individual centres it is often the Supervisor or Head Teacher. The person who sets the budget for the year is aware of bulk funding rates, parents' fee rates and fundraising possibilities and tends to keep abreast of possible changes in funding.

Those who manage the budgets in early childhood education were hopeful of an increase but more because costs were increasing than that they expected any radical change in the Government's funding policy. It seemed that the move was more a political one rather than a clearly thought-out plan to improve social policy.

We had rather hoped that it would occur. They had never promised to inflation proof it. We were surprised to find that Income Support had accidentally slipped into inflation indexing. We were hopeful that they were still supportive of the scheme. Both Labour and National support this type of funding. New Zealand First seems to be even more enthusiastic about it. The only danger would be Labour and Alliance, who ironically have promised a lot more but not as bulk funding (Int 4).

Business Sector, Governing Body

Although Auckland Kindergarten Association Council representatives had been asking for more money they had no real expectation of large increases.

The previous year when they gave a less than 1% increase, I made a public statement saying how woeful that was. I was hopeful for round about 2.5%. I was surprised and pleased that it was 5%. The Council met with Bill English immediately prior to the announcement and got a clear indication from him that government were prepared to listen to us, and I actually believe that they did (Int 7).

However, the increase in the Auckland Kindergarten Association budget was affected by more than just the 5% budget change.

The increase comes down to full rolls and the increase in the number of kindergartens. Every month we look at roll returns. We are running a business and maybe that is a good way because there are enough people worrying about philosophy and the teaching. From our approach we need to look at the business side, bums on seats, dollars and cents and it is up to you and others to spend it (Int 7).

In a similar way to kindergarten personnel, owners of childcare centres were not necessarily expecting more money:

We weren't banking on it and we didn't budget for it. As I said before we'd batted down the hatches. In some of our centres we had given notices to parents of increases in fees (Int 4).

The parents

Parents were interviewed but none of those interviewed for this research had any knowledge of the bulk funding increase. Although these were parents who were involved with committees, they had little idea of how kindergartens were passed money by the state. The only parent who had a good grasp of bulk funding had gained it through her

role on the management committee of a childcare centre. No doubt there are many different reasons why parents choose to limit their involvement in early childhood education, some may be discouraged by the professional centre, some may fear that they lack the skills and some may simply be unwilling to contribute the effort. Although parents have little to say on bulk funding other stakeholders show concern about the lack of parental involvement in early childhood education.

The centre owner, Interviewee 4, stated that in childcare:

In our centres parents choose not to have much say. I know that because when we ask them to come to meetings or give their opinions they'll answer questionnaires but my belief is 90% of them don't want to be troubled. They have their own businesses, their own jobs to do, they don't want to be involved in decisions. They want a professional organisation to work it out. There is no doubt that they will complain if it is not meeting their expectations. "Here is the money this is what I expect to get for it." Lets continue the contract. It is a professional service (Int 4).

This view is confirmed by kindergartens.

We had a questionnaire about bulk funding, 95% of parents are from different ethnic groups. There are the language barriers and all the different cultural issues. I felt that it might have been over the top of their head (Int 15).

The parents would only be aware of the 5% increase if their teachers had told them (Int 1).

The teachers

While all the teachers interviewed were aware that funding had increased they did not generally have any great expectation of an increase. Their attitude was one of surprise. Teachers seemed to believe that major state investment was needed but were resigned to money not being available. A few did anticipate increased funding:

Yes I was aware of it. It is something I watch for (Int 17).

I'd heard about it and read about it but because we are not in the process of making the decisions I didn't think that it affected us (Int 15).

If you get some money for early childhood it's great but it's a bonus (Int 10).

But the majority did not. A high degree of cynicism about government was expressed with few teachers showing any hope or expectation of state support.

I never expect anything from government (Int 8).

I never believe that it is going to come until it actually does (Int 13).

I tend to be cynical about it (Int 17).

When I think of it I didn't expect any more because politicians had been saying over and over again that there was no more money they could put into education (Int 10)

Sometimes there are indicators of increases to come but you don't always expect it to happen (Int 9).

Many teachers had views on why the increase was necessary and this tended to reflect concerns that kindergarten could not maintain standards while prices were rising.

I felt that we weren't dealing with inflation. I thought with the increase it was probably a general increase into early childhood (Int 12).

In the long run it should have gone up with inflation (Int 11).

There was a sense of defensiveness and resignation to the notion of being a sector which is out of favour with politicians. Teachers believe that the decision had political motivation.

If we are talking about kindergarten in particular the Government has made it very clear that they don't want to give us any more money. They want us to slowly merge into the early childhood sector and not to stand alone. So I wouldn't have expected any increase for us (Int 13).

I suppose that the indicators were there and they needed to curry a few favours. I guess the climate was looking right (Int 8).

Because we are not a compulsory education sector (Int 14).

I tend to be very sceptical that we will get anything, so 5% was surprising. That amount is quite significant although we could do with a heap more (Int 17).

There is little expectation that there will be regular annual increases.

I couldn't see them taking money away from early childhood but I don't see us getting any more for a long time (Int 14).

Union

As NZEI is the teacher's union it was interested in improving the financial lot of its members as that is embodied in its main objective.

The main object of the Institute shall be to advance the cause of education generally while upholding and maintaining the just claims of its members individually and collectively (NZEI, 1997b).

Linda Mitchell was senior research officer for NZEI in 1997. She has had a lengthy career working for the unions involved with early childhood education teachers and she had in-depth knowledge of government funding issues. Her view that more money should have been forthcoming was to be expected as the Union lobbies for increased funding each year partly to improve the financial lot of its members and simultaneously, it believes, to advance the cause of education. It is considered (as discussed in the review of literature) that a better-paid work force will bring about stability of qualified staff which must be better for children. She would have liked a larger increase than 5% but was relatively pleased.

We expected more. It was 12.6% that we were asking for. We expected an increase because we had done a lot of lobbying and as I said we were disappointed in the amount of the increase. I think that the 1997 budget was recognition that there needed to be more money for early childhood and that it had been a long time since there had been any increase. I don't think that it would have happened without the work we initiated and the campaigning we have done over funding (Int 1).

Linda felt that the Quality Funding at least acknowledged the importance of teachers who had a Diploma of Teaching but, as the Government put the money into the centres

with no instructions, there was no guarantee that the teachers would be recompensed for their qualification or training. She felt that making it a requirement that the Diploma of Teaching was the minimum standard expected for licencing would be more effective. She was not convinced that the increase in bulk funding was sincerely designed to provide better quality or greater access.

This government has no real concern for or appreciation of early childhood education. It has a free market policy which operates in the sector that runs counter to what it says it wants the money to be spent for. Until it sees that that approach is inappropriate we're not going to have an increase in quality as different centres are going to make different arrangements as to how they spend their money (Int 1).

NZEI gave its views of the budget to its members in a newsletter (NZEI, 1997a). They felt that the increased funding should have been allocated to community-based centres and tagged for spending on improving staff pay and training. They also recommended that money be used to assist centres in low socio-economic areas and in remote communities.

Summary

An interesting observation would be that although everyone who supplied information felt that the increase was necessary, few really expected it to happen. It appears that the sector had become accustomed to being under-resourced. The union and organisations representing early childhood centres had obviously been lobbying for increased funding but the amount of surprise shown at the 1997 budget announcement may imply that there would have been little outcry if the sector had been overlooked in the budget.

The people at ground level, the teachers and parents would have carried on as usual. The parents because they do not understand how bulk funding works and the teachers because they are resigned to working professionally even if they are under-valued.

Several people interviewed indicated that the proportion of money put in by the State had been decreasing but there was no major indication that the quality of delivery had been slipping. It was felt that practitioners compensated for the funding shortfall and managed to maintain standards.

That a certain proportion of the costs of operating a childcare centre are met by the state and taxpayers agree that that should happen, another proportion is met by parents' fees, another proportion is met by voluntary work by staff, parents and management. Over the years what has happened is the Government's proportion has been slipping. It meant doing a lot of things in your spare time when you are not actually getting paid for it as far as managers, administrators and volunteers were concerned. What the increase did was partly restore the parity in the relationship (between the amount contributed by the State and the amount raised locally) (Int 4).

Question 2: What did you think was the purpose of the increase in bulk funding?

Introduction

This question deals with the political and economic conditions which are part of the “Context of Construction” of this social policy. Answers given by interviewees were dependent on their knowledge of early childhood education funding, their involvement in the area as well as their own values and beliefs. Together these build up to the “Context of Interpretation”.

I inquired as to what the stakeholders thought was the purpose of the increase in funding and asked them to explore the stated or overt reasons but also to say whether they felt there were any covert reasons. Parents were not included in this section because none of the parents interviewed had said that they were aware of the increase in funding; therefore they could not speculate on why the government gave the money.

The lack of Ministry of Education instructions relating to the increase allowed stakeholders to speculate about the purpose. The interviewees were asked to identify a variety of possible purposes. Their answers were analysed into seven main categories. They thought that the purpose was to:

- Improve quality and conditions.
- Ensure financial survival.
- Provide childcare and encourage employment.
- Compensate for the withdrawal from the State Sector.
- Help settle employment contracts.
- Suit the beliefs of political parties.
- Promote equality between sectors.

The following table shows how interviewees’ views on the possible reasons for the increase varied across the group.

Key:

√ Indicates an agreement with the statement.

Table 8: Possible reasons seen for bulk funding increase.

Stakeholder Group	Improve quality and conditions	Ensure financial survival	Provide childcare and encourage employment	Compensate for the withdrawal from the State Sector	Help settle Employment Contracts	Suit the beliefs of political parties	Promote sector equality
Politician	√√				√	√	√
Bureaucrat NZCER		√					
Business Sector		√√		√	√√		
Teacher	√	√√√	√	√√√√√	√	√	√
Union			√				√
Total	√√√	√√√√√√	√√	√√√√√√	√√√√	√√	√√√

To improve quality and conditions

Some interviewees though that the improvement of quality was not a likely purpose.

So whether publicly it was about additional quality I don't think that was what it was about at all. If that was the drive then some indicators would have been given (Int 3).
It is just another step in the erosion of quality. I still think that they reduce access to lower income earners (Int 11).

Two respondents felt that improved quality may have been an aim.

Quality, affordability and access would have to be in their minds (Int 5).
I believe that it was to achieve higher quality. I believe that there is a recognised need but not always in terms of their commitment in money. I believe that the increase in bulk funding was to try to raise the standard within centres. We now have a base document which we are working from and with the DoPs coming in as well they were looking at appropriate practices and being able to instil those (Int 17).

To ensure financial survival

People from most stakeholder groups believe that early childhood education providers are struggling financially. Fees have gone up in some childcare centres and donations receipts have gone up in kindergartens. However bulk funding is the major source of income in kindergartens, so kindergartens have little choice about changing their financial position other than lobbying for increased bulk funding or seeking sponsorship.

They could charge fees as recommended by some National Party politicians (Hansard, 1997) and ERO (Education Review Office, 1997) but Associations are still resisting this as being a dramatic change in philosophy.

I would think that they did recognise that centres had experienced higher costs; costs higher than normal inflation. They probably responded to the general clamour for more money (Int 4).

It should have gone up with inflation, be tied to the CPI. Yes you always hoped that it would be like that because then it would be fair. Everything else goes up in price (Int 12).

To cover necessities (Int 15).

I would probably think that it went into administration for kindergartens who couldn't afford to maintain their kindergartens (Int 16).

To provide childcare and encourage employment

One of the four areas early childhood education contributes into is a labour market outcome (Education Review Office, 1997).

By easing the entry of care-givers to the labour force, access to early childhood services contributes to an efficient and effective labour market, can increase employment opportunities and reduce benefit dependency (Ministry of Education, 1993).

The early childhood education sector which has grown most since 1990 is that providing full day care. This suits the needs of working parents (Ministry of Education, 1997b). There is no debating the Government's intention to encourage beneficiaries to seek employment. Although there is no compulsion placed on parents of children under five to go back to work, there are growing numbers of families where one parent works full time and one works at least part time (Statistics New Zealand, 1995).

They talk about the benefits, getting people off benefit dependency, and they want to get people back into the workforce, so they do see early childhood services as providing care for the children while their parents are at work. I think the fact that early childhood education was part of the employment taskforce, some policy came through that (Int 1).

Because more and more people are going back to work and requiring early childhood services and they want a better quality early childhood service. So the Government think "We will give them a little more money, we will look as though we are supporting them" (Int 13).

To compensate for the withdrawal from the State Sector

The timing of the announcement of the budget increase was carefully planned to coincide with the State Sector Amendment Bill debate (Renwick, 1997). Those people who were involved with making budget decisions in early childhood education had been lobbying politicians and were aware before the budget announcement that more bulk funding would be forthcoming. They had not been given any indication of the State

Sector Amendment Bill and therefore thought that there was no connection between the two things.

I don't think the funding itself was tied up with the withdrawal of kindergartens from the State Sector. They definitely organised the timing of the announcement to coincide with the state sector there's no doubt about that (Int 4).

I don't think that it had anything to do with the State Sector Amendment. It might have been seen as a softener, but the State Sector business was a total surprise (Int 7).

Not all stakeholders were of this view. Although there were no political speeches made which connected the two, teachers at least thought that there was more than a coincidence at work.

I believe that it was an attempt to keep Associations relatively quiet and to ensure that the wedge that was being driven continued to be pushed between compulsory and non-compulsory. The whole move that the Government has been trying to make in terms of trying to move kindergarten in particular out of education (Int 3).

It was money to keep us quiet (Int 12).

It was money to keep us quiet. Which it did in the long run because we weren't successful in getting put back in (Int 10).

I think that it was a political ploy really to get people in the kindergarten sector to think, "Oh well, we have been kicked out of the State Sector but we have been given more money" (Int 14).

At the time I did think that there might be a connection between the increase and kindergartens being put out of the State Sector. I guess I tended to shut that out (Int 17).

To help settle employment contracts

Teachers and employers were aware that some major national employment contracts were due for negotiation. Employers knew that teachers had not had a significant pay increase for several years and would be seeking improved wages. Employers could not hope to offer higher wages without an increase in income.

They had asked for dialogue with Kindergartens for years and they'd say "We'll have the dialogue but its not going to happen". Then Jenny Shipley got hold of it and would say "Its just happened; have some money to sort out your industrial relations problems" (Int 4).

It stands to reason if more staff are going to have qualifications then the rate of pay required is going to have to be higher. So you are going to have to absorb more funding into paying more qualified staff (Int 5).

Well, they had listened to us and to a certain degree and they wanted the employment contract settled. The more I think of it, the more I think that Government has given some clear guidelines for it, settling our contract was one of our biggest opportunities (Int 7).

To suit the beliefs of political parties

Some people believe that the decision merely reflects how the majority political parties value early childhood education. If there had been a National majority rather than a coalition, then a lesser increase would have been likely, the inference being that either

New Zealand First were obliged to pay some lip-service to their manifesto or that the Coalition Government may be cautious about offending too many groups. It may have been part of the price that National had to pay for the Coalition. It was certainly far short of: “restoring funding levels to that which existed in 1990” or “ensuring that the purchasing power of those funds was maintained” (New Zealand First, 1996 page 2). Perhaps it was a workable compromise.

My observation is that the National Ministers have been very hostile to kindergartens. They have regarded it as a favoured sector, they regard it, quite wrongly in my opinion, as a middle class provision and why should government pay for it - why shouldn't parents be paying (Int 5).

I also think that the reason early childhood got more money was because of the way the government was structured. If it had been a National only government we would not have got as much, we might have got 2% or something like that. Early childhood education does not seem to fit in with the National Party philosophy (Int 14).

To promote equality between sectors

NZEI, while saying that early childhood education needed at least a 12.6% increase to keep up with expenses (Early Childhood Education Project, 1996), was apparently surprised that kindergarten received any increase in light of the Government's aim to work towards equal payment across the sector. All providers who operated licenced centres were given a 5% increase. As kindergartens were already on a higher rate of funding they would benefit most, so the gap between them and other providers would in fact widen. The increase did little to promote equality in payment of bulk funding between different early childhood education providers. The only inequity which was removed benefited Playcentres who were given equitable funding for children under two.

I would have expected in this budget that kindergarten funding would have been held while others caught up. It didn't happen because it would have been politically damaging for them to do that so soon after having taken kindergarten out of the State Sector Act. They claimed that it wasn't to cut back on kindergarten funding but I am sure that in the next year we will see those differences removed (Int 1).

They would really rather like to see kindergartens forced into a fee-paying basis like other early childhood education centres. It is part of the levelling down that we see (Int 5).

It is a lead up to being user pays. It has all just been set in motion. They are doing it bit by bit (Int 11).

Summary

Stakeholders did not know Government's intention so they were left to speculate. These speculations are important as they provide the "Context of Interpretation". In this social policy some of the recipients of the funding are in a position to make decisions as to how the money is spent. Other stakeholders such as teachers are in a position to lobby strongly enough to influence decision making.

If the Government had clear intentions and purposes for financial investment they did not make them more obvious. The lack of direct instruction would lead one to believe that the purpose given in media statements and Statement of Objectives ([Http://www.executive.govt.nz.minister/creecg/edu/edu1.htm](http://www.executive.govt.nz.minister/creecg/edu/edu1.htm), 1998) was mere rhetoric or that there were other more nefarious, unstated reasons, as some interviewees suspected, such as to compensate for the withdrawal of kindergartens from the State Sector.

Question 3: What do you think early childhood education centres were expected to do with this increase in bulk funding?

The aim of this question is to assess the knowledge and understanding of people involved in early childhood education as to the purpose of the change in bulk funding.

The early childhood education sector is in the third tier of agencies/organisations identified by National Cabinet Minister Bill Birch (Cheyne C. O'Brien M. and Belgrave M., 1997) in that it involves private-sector organisations from which government agencies purchase services. Cheyne et al pointed out that this system has implications for the way in which governments can act to influence the distribution of goods and services. There is little control of spending by regulation but high expectation of delivery.

New Zealand has supposedly made gains in effectiveness of social policy delivery by moving from "appropriation by input and delivery by regulation" to "appropriation by output" and making managers responsible for producing the outputs. For this system to work, good communication at all levels is necessary.

The success of the governmental process depends on each decision-maker in the chain being as well informed as possible of the impact of their decisions on the community and adjusting their area of decision-making accordingly (Blakeley R. and Matheson A., 1996).

The circular to Management of Early Childhood Services which announced the increase in the funding rate (Ministry of Education, 1997a) merely announced the rates.

It gave no guidelines for budget priorities. There seems to be no rationale for failing to comment on policy direction. The letter to kindergartens from Jenny Shipley, the Minister of State Services, made more comment on policy direction. The letter pointed out that the aim was to avoid confusion of accountability and allow communities and teachers to plan better.

Kindergarten Associations should be responsible for their own wage negotiations. This approach is consistent with the direction of early childhood sector reform over the past ten years. These challenges are common to most early childhood providers and involve providing an improved service to the community (Shipley, J., 1997).

The “direction of early childhood sector reform” started with “Before Five” (Lange D., 1988). There was no direction evident in that document which indicated that Kindergarten Associations should be responsible for their own wage negotiations. The New Zealand First Manifesto went as far as saying that they would cease to bulk fund kindergartens. They did not indicate what alternatives they proposed. The approach used in the 1997 budget was consistent with National Party policy directions in that the responsibility was devolved to providers.

If managers and communities are meant to make good decisions to ensure quality outputs from this 5% increase, what were their instructions or understanding about its purpose?

I have considered responses in the categories of outputs which the government intended:

- higher quality
- affordable early childhood education services
- greater access

and I have included other categories which the interviewees considered more likely, these being:

- basic financial survival
- political ends
- for no particular reason.

Higher quality

Although people had not received any instructions, several felt that to maintain quality salaries had to be improved.

It was not put in to any planned expenditure for the balance of the year. Some of that surplus allowed for a salary increase to be offered at the time of negotiations at end of 1997. Probably otherwise we would have been hard pressed to come to the party with much at all on a salary negotiation (Int 3).

They made sure that we weren't disadvantaged. We indicated to teachers that we gave them a bonus and we put it back to them the Government was also specific that the total amount of that money that they were going to give wasn't just for teachers salaries (Int 7).

They must realise that a lot of early childhood education is under-funded and if they want quality they have to pay staff (Int 9).

One of the things they did have to address urgently was our salary because teachers were leaving in such great numbers. It was a crisis (Int 13).

If your emphasis is to be on increasing the skill level of those in the sector you would expect that a lot of the subsidy would be going out on extra wages to buy those skills and keep people in the sector. You won't keep people and you won't attract good people unless the salaries are high enough (Int 5).

Affordable early childhood education services

No one had got the message about services being more affordable.

Should it be going to lower socio/economic kindergartens? (Int 14).

Greater access

This was the only comment on increasing the number of places:

Maybe to increase the number of early childhood centres to make the demand, specifically probably more childcare centres. That's where the demand is (Int 16).

Basic financial survival

Anne Meade was aware that there had been official announcements about the increase but felt that the message was inconclusive. She thought that people would have the sense to use the money to keep their businesses going. This is in keeping with Governments aim of decentralised control and contractualism (Offe, 1985 pages 221 to 258), where each individual institution has a contract to provide certain "outputs" but is given discretion over how it spends its funds.

I guess that there was that message given but there was no mechanism or instruction on how to do it. The expectation might have been put into their head by the Minister's speeches but I think most people would know that it would be used to balance the books in many places (Int 2).

When one considers the historical context of early childhood education funding it seems understandable that kindergartens are less satisfied than they were ten years ago and childcare centres more satisfied. Prior to the "Before Five" (Lange D., 1988) changes, many childcare centres received very little funding.

I would think that they did recognise that centres had experienced higher costs, costs higher than normal inflation. They probably responded to the general clamour for more money. We try to stand aside from that and advise people how to make the best of their money (Int 4).

Political ends

Teachers were the group most inclined to think there was a political motive behind the increase.

To encourage privatisation, so that they don't have to spend so much money (Int 16).

I think that it was one step towards privatisation (Int 9).

Because of that, some of that money went into salaries, as a token gesture. To keep us quiet for a little longer (Int 13).

For no particular reason

Several interviewees felt that there was no discernible reason for the increase. They were aware of the poor economic situation being experienced by centres but did not receive the message that the increase had intended outputs or outcomes.

The philosophy is that they (service providers) can do what they want with it. There are not any strong expectations laid on them at all. From my knowledge there was nothing even written urging for them to put it (the bulk funding) into set areas it was just delivered to them. In our research through "Future Directions" we had plenty of feedback from round the country. People were saying that many centres were having such a hard time to remain viable that actually it would just be patching up things like maintenance that had been deferred or basically things which had been left on hold because they had had insufficient funding (Int 1).

Although the Government had "contacted out" the management of kindergartens it should be easy for them to identify and communicate with the people in kindergartens who are responsible for financial management. In 76% of Kindergarten Associations Executive Officers (E.O.), or a Finance Sub-committee of which the E.O. is a member, is usually responsible for preparing the draft budget (Wilson A. et al., 1996). As Auckland Kindergarten Association is a large provider receiving a substantial amount of Government funding, one would expect the General Manager of the Association to have some clear understanding of what the Government wished the Associations to do with the money. This does not seem to be the case.

I don't believe that they were expected to deliver anything additional. It was left completely to individual associations to determine that.

The Association didn't budget for any increase in bulk funding last year or this year. In the budget this year a 2% increase was announced. All of our projections for the balance of this year and into next year are all based on a zero increase in bulk funding. One issue I would have with government and the Ministry of Education is if we were given some longer-term projection as to their anticipated increase in funding (and on what basis) that would certainly allow us to plan more effectively (Int 3).

In the Coalition Agreement the Government indicated the amount of increased spending they intended for early childhood education over the next three years but they were not specific as to how and where it would be delivered. That meant that no-one could budget for it. It was felt that the promised money could be dropped if it was expedient to do so, in the same way as the free G.P. visits for children under six has been threatened by economic circumstances.

The thought here for the last few years has been: we earn a surplus to be able to spend in the coming year. That is what has happened in the last two or three years. So any windfall like the 5% last year and the 2% this year has not been budgeted for and has simply been put into surplus. If there is some emergency need for it on the way through this budget cycle, it will be used. Otherwise it will end up with us having instead of a \$165,000 projected surplus for the year we'll have something like \$265,000 (Int 3).

Interviewee 4, from childcare, was not speaking of projected surpluses, feeling that the money was already accounted for.

I think that it was already spent quite frankly. We were already slipping behind. It wasn't a large amount in terms of the total cost of the centre. The 5% represents 2% of the total cost of running the centre (Int 4).

This manager wanted to be able to plan for bulk funding with a degree more certainty. He wanted the proportion of State funding to be indexed so that planning would be easier and centres would know what proportion of their costs would be funded by the State.

It slips every year and this 5% attempts to restore the parity that was there before (Int 4).

Summary

Transparency is not evident in the Government's intention here. There is no indication as to which state agents constructed the policy so it is not possible for stakeholders to ask for interpretation. These text have been decoded by social actors located within a range of different social context.

The social actors, in this case, did not know what they were meant to achieve with the money. There was no specific text containing the policy construction. It had to be sought in a variety of documents. There were sufficient documents and public statements to indicate that the text did exist but the information did not reach those involved in early childhood education even those who had been in direct communication with the relevant Ministers. Many people thought Government just intended to redress the balance to compensate for the relative reduction in their proportion of funding.

Question 4: Who makes decisions in Associations and centres?

In analysing this policy it was necessary to examine one of the philosophic principles on which education in New Zealand is based. The concept of Charters is that parents will be consulted with, and democratically involved in, all their children's education in early childhood centres. Question 4 has little to do with affordability or access but has a great deal to do with quality. My reason for asking this question was not merely to identify whether a component of quality was present but to help identify who was involved in the decision making process concerning the allocation of bulk funding. This is to clarify the context of interpretation.

The policy direction identified in the debate about withdrawing kindergartens from the State Sector hinged on the notion that parents should be able to choose and that parents should be given the power to choose to spend bulk funding to increase teachers wages if they wished (Hansard, 1997). Instead of being the recipient of a benefit from the welfare state, the parent is being given a dual role. Firstly, the parent represents "the market" in that they choose to purchase early childhood education from a certain provider and secondly, the parent is being given a contractual role in that the State expects them to take a managerial and decision-making role in allocating the funding from Government to achieve quality.

I identified which stakeholder group has taken on the of allocation funds. In particular I wish to examine the position of parents in setting budget priorities. This is significant in that the Government sets great store by parent participation in decision making (Hansard, 1997, Jenny Shipley page 1338).

Val Podmore included democratic parental participation among the structural components of high quality early childhood education and gave the following summary as evidence:

A recent focus has been on collaboration and power sharing between parents and the professionals. Kagan and Rivera (1991) examined the process of collaboration in early care and education. They cited research supporting the effectiveness of shared authority and decision making in collaboration endeavours. Shared leadership, with committees, boards or meetings co-chaired with parents and professionals, has been one type of collaboration which encourages "the development of new leadership talent" and helps "to stem burn-out and for isolated leaders." (Podmore V., 1993)

The Royal Commission on Social Policy (The Royal Commission on Social Policy, 1988) had a persistent theme that government should consult widely and genuinely.

Although people involved in early childhood education acknowledge this principle there seems to be a little cynicism about whether it works in practice.

As to committees there is often a key person, the supervisor or a person on the committee who is never going to move. It is really their own private centre but these other people come along to seek election but because of the constitution this key person gets rid of them every year (Int 4).

However much was made by the Government in the State Sector Amendment Bill debate about it being the right of parents to make decisions:

It is the parents in Auckland who have insisted that they have the right to give their teachers more money (Jenny Shipley, Hansard, 1997).

Give back to parents the power, the ability and the right to negotiate on behalf of their children (Donna Awatere Huata, Hansard, 1997).

Just how democratic and representative are early childhood education committees and councils? There are three themes underlying effective democracy. They are identified in the Royal Commission for Social Policy as being participation, transparency and representativeness (The Royal Commission on Social Policy, 1988).

I analysed current parent participation in the management of early childhood education centres in light of these definitions. I have used Auckland Kindergarten Association as a case study to examine how the themes of effective democracy are being put into practice.

Participation in Auckland Kindergarten Association

The Auckland Kindergarten Association Council elections are open for parents at individual kindergartens to be elected at the AGM. The Council meetings are open for the parents and general public to attend them if they wish.

Ours parents were very interested in the AGM when Jan Jameson was there and had her lawyers. We maybe have one member of our committee who sees the whole picture of education (Int 17).

In reality, in 1998 insufficient members attended the AGM to constitute a quorum and at the second AGM a month later, which had to be called to rectify this, no new members put themselves forward for election. Later in the year a new member was co-opted onto the council. She has children at kindergarten and is a local kindergarten committee member but she was not elected by parents to represent them.

The current Council is obviously concerned about attracting new members but finds that they have to be co-opted rather than volunteer themselves, as identified by one interviewee:

Parents have the option of standing for Council. But there again you have to have a very pro-active parent who wants to take on that role and be involved. What incentive do they have to do that extra work and take on that responsibility? The Association

doesn't really provide incentives for people to be involved other than belong to the kindergarten committee while their own children are here (Int 13).

Visitors to the Council meetings are a rare event, with not one non-council member attending this year apart from myself. Some interviewees were of the opinion that parents participation was not always appreciated.

We have zero Councillors who have children at kindergarten at the moment. I believe that the timing of the Council meeting is set deliberately to make it difficult for parents to participate in that decision making (Int 3).

The Auckland Kindergarten Association held a meeting for staff about the future and vision of the Association on Friday 31st July 1998. At this meeting a teacher raised concerns about the position of teacher representatives on council, the habit of Council of going into committee and excluding the teacher representatives and the fact that the afternoon meetings preclude teachers and parents from attending. The General Manager said that any council member could be excluded from discussion in accordance with standing orders and teacher representatives were welcome to bring up the question of meeting times, pointing out that evening meetings had been voted against earlier this year. Theoretically, participation is encouraged but people do not put themselves forward for election or attend meetings.

Transparency in Auckland Kindergarten Association

Unless you have a member of Council who relays the information to your kindergarten I don't think that it happens. I make it my business to pass information to parents but I tend to get my information from elsewhere, through the union (Int 17).

Transparency could be better if times and minutes of meetings were publicised better to all parents. Given that 25% of families using kindergartens come from non-English speaking backgrounds, passing on information effectively can be difficult.

Representativeness in Auckland Kindergarten Association

Auckland Kindergarten Association does attempt to encourage representative involvement by holding meetings for the community, sending out information and requests for feedback. However they get little response.

This pattern is one which this researcher has found common over the past 15 years spent working as an early childhood education teacher and Professional Development Facilitator. In community-based centres, it is not uncommon for the supervisor or head teacher to have to target certain parents who they think would be "good" committee people and persuade them to put themselves forward for election. It is becoming increasingly rare to have to put eager candidates for the same position through a vote.

During our discussion, Interviewee 16, a teacher, pointed out that she had organised a parent meeting to discuss a revised charter and had no parents come. The meeting was well publicised with suitable inducements for parents to come. This is a common occurrence. When the first round of charter writing took place in 1990 there was little parental enthusiasm or expertise. Now that centres are re-writing their charters in 1998, in light of the new DoPs, parents seem even busier or less interested (Int 16).

Even in 1981 Dr. Anne Meade identified that early childhood education centres had problems getting parents to be involved in their management.

The pattern of only a small proportion of parents serving on the local committee reflects a common pattern for community participation. Many parents with children attending kindergarten will have neither the social participation skills nor the motivation to join a kindergarten committee (Meade A., 1981).

In 1989, Margery Renwick researched the question of parent involvement in kindergarten and commented that economic and social pressures on parents weakened commitment to voluntary work. Many parents felt that they lacked the necessary skills and knowledge to be effective committee members. Parents with limited educational experience themselves tend to be reluctant to involve themselves with committees (Renwick M., 1989).

Summary of Findings of Question 4

The findings of my research identified that the majority of stakeholders believe that those people in managerial positions are the ones who make decisions about the allocation of government bulk funding. There seems to be little belief in or evidence for the concept politicians hold dear which is that parents want to have major involvement in the running of the early childhood centre their child attends.

The following table gives a summary of the opinions of the people interviewed for this research. It gives an indication as to where people think the power to make financial decisions lies.

Table 9: Who do you think makes the decisions on spending of government funding in Centres?

Group	Management	Owners	Staff	Parents
Politicians	√		√	
Bureacrats MoE	√√	√√	√	√√
Business Sector	√√√	√	√	
Parents	√√√√√		√	
Teachers	√√√√√√√√√√			
Union	√	√	√	√ (Sometimes parent committees)
Totals	22	4	5	2

Politicians

Brian Donnelly, the Associate Minister of Education did not seem to think that parents played much of a role.

Management make the final decisions but management is strongly influenced by staff (Int 6).

Bureaucrats, Ministry of Education

In most documents about the management of education the Ministry puts an emphasis on the value of community consultation and involvement.

Management and educators should implement policies, objectives and practices which acknowledge parents/guardians and whanau needs and aspirations for their child
10 (b) (Ministry of Education, 1998b).

The scenario given in the book “Quality in Action” has raised a smile among teachers who find it difficult to encourage parent volunteers for anything.

A service uses its newsletter to inform parents about plans in the budget for buying equipment and resources. As a result, a group of parents volunteers to co-ordinate fund-raising efforts and to seek sponsorship from local businesses (Ministry of Education, 1998b page 82).

The Ministry avoids making any requirements about who should be the managers of services. The document which outlined how the government would action the Meade Report clearly stated that “there will be no requirement to establish boards of trustees” for the management of early childhood education centres (Lange D., 1988).

Schools have strict guidelines about who should be on Boards of Trustees but early childhood education providers did not have recommendation 10.3 of the Meade Report placed upon them. This stated that:

A board of trustees for an early childhood service should have a parent/whanau majority.

In terms of composition of the board this means: 5 members who may be parents/whanau and who are nomination by and elected by parents/whanau.

It will include the proprietor of the service where this is appropriate.

It will have staff representation (Meade A., 1988).

Problems were identified with this model, particularly in relation to privately owned services. Since 1988 the Ministry of Education has not insisted on more than consultation with parents/whanau.

It would appear that more left-wing groups such as unionists and Labour politicians continue to have misgivings about the lack of accountability in this area.

The other aspect of "Before Five" that we were highly critical of was that anyone could set himself or herself up as an early childhood education manager and receive government funding. Private for-profit centres had the same access to government funding as did community-based centres and we argued that there should be a structure like the board of trustees in schools where parents have to be involved in management of centres. We saw that as a way of making sure that decision making about spending money was a public discussion and parents were involved in that discussion. But none of our advice was heeded (Int 1).

The position is that money is pumped in without tags. It really worries me because you have classic provider capture that no matter how much you put in as a government that wants to support this sector you are leaving it free for them to raise the price and take more profit off. When I was Minister of Health I tried to tie doctors down to contracts because it is really the only way in which you can get value for money. I feel the same about this sector otherwise it is just a bottomless pit (Int 5).

Bureaucrat NZCER

I found no empirical research into centre management practices. This is not an area that the Ministry of Education has commissioned research on. This is in keeping with the contractual arrangement of purchaser/provider split. The government purchased a service, it makes no requirement on how financial decisions are arrived at. Anne Meade hoped that partnership was in existence.

One would hope that it was done in consultation with the staff and the parent group: that would be my ideal. It would be a three-way partnership. Between management staff and parents.

For private centres I would think that it would be more likely to be the owner without the partnership. A number of private providers do like to work closely with their staff while others see it as a business make budgeting decisions without having any partnership (Int 2).

Business Sector Management

The mechanism for who is on the Council or committee of community-based centres is usually laid down in the organisation's constitution. The constitution identifies the make up of the governing board but it cannot control the organisational culture which affects the decision making process.

In Auckland Kindergarten Association Council much of the discussion about money occurs in finance sub-committee so the full Council and the general public are not privy to it.

The formal mechanism being that finance sub-committee makes recommendation to the Council as a whole, so it goes from management to sub-committee to Council.

On the finance sub-committee is the treasurer, the financial controller, two Councillors, the General Manager and the president because the office held is ex-officio of all the sub committees, we have two sub-committees, finance and property. (Teacher representatives are not on any of these sub-committees, not because of any constitutional arrangement but because they choose not to be.)

People who are currently parents of children at kindergarten have very little decision making about finance specially if I start looking at the make up of our current Council. Teaching staff in terms of financial management of the organisation has zero input. I don't think that that the triad of parents, teachers and management experts is there at all in the decision making in Auckland Kindergarten Association.

I am not sure if what happens now is typical. I do not think that it is. Going back further I think that it is much more typical to have more consultation and more involvement (Int 3).

Business Sector Governing Body

This centre owner is aware of the practices of many other centres as he is involved in giving advice to other business. He comments on the inclusion of teachers in decision making.

In the owner-operator centre there is no doubt that the owner does that. They may choose to involve their senior staff. We allow our staff certain decisions, within certain limits that are not particularly formal, for buying resources. The big items such as wages and the like the owner-operator would make those decisions.

His view is that parents do not wish to be involved.

In our centres parents choose not to have much say. They don't want to be involved in decisions (Int 4).

Parents

Parents had little to say on the matter of decision making. They were aware that finances were organised by Auckland Kindergarten Association Council and were mostly quite content with that. When asked who made decisions about financial management some parents were quite clear that it was:

The Council of Auckland Kindergarten Association (Int 20).

Generally parents were quite accepting of that but had found it difficult to give information to the Council.

I think that it would involve the staff, I'm not that sure that it would involve the committee. It is quite hard to give an opinion to the Association (Int 22).

Teachers

Teachers have very firm views on who makes the fiscal decisions and they appear convinced that teachers and parents play very little part. Although teachers are represented on the Council the teachers interviewed thought that the role of their representative was small and that the passage of information either way was not happening.

Who makes the decisions?

Paid managers have the greater power (Int 12).

The Council plus the General Manager and the Assistant General Manager, they have to work as a team, I should imagine that they have a little committee going of core people (Int 14).

We don't have any say - it is the management (Int 11).

Are teachers involved?

The Auckland Kindergarten Association has to inform us what they do with the bulk funding money but not ask us "What do you want to do with that money" (Int 15).

Teachers had no place in the decision-making; the hierarchy decided what would happen to that money (Int 15).

We do have teacher representatives but unless you have a proactive teacher who is telephoning the teacher representative and saying "What is happening here?" you are not notified (Int 14).

On being asked whether they were aware of any decision making over funding, some teachers were quite emphatic about their lack of say:

Hell no! Are we ever asked? (Int 13).

Certainly not us! (Int 16).

Teaching staff have no say (Int 9).

Several people commented on the marginalisation of the teacher representatives.

I believe that it comes down to some exclusion as well (Int 3).

If teachers have any say I believe that it is fairly minuscule. In some childcare centres there is a bit of flow through. I don't know that I have seen any evidence of that in Auckland Kindergarten Association. You have your teacher representatives who have a little bit of leeway but it is minuscule. And under the present regime we may have a little bit more than we did in the past. But I am not sure that they have any impact (Int 17).

We do have teacher reps but I think that their voice is so quiet, a slight whisper that they don't have any great effect at all (Int 10).

No disrespect to the teacher representatives but they don't get much say. The Council keep going into committee and they get put out of the door. They probably don't have much effect on spending, probably not even on the whole council (Int 8).

I get the impression that council goes to committee and excludes the teacher representatives every time something important comes up so I gather that they are not involved in a lot areas that they felt they should have been anyway (Int 16).

Teachers were aware of receiving a pay increase.

Indirectly we did have a say when we voted on having a pay increase. We knew that money had to come from somewhere (Int 8).

Other than knowing about the bonuses that we received, maybe that came from the bulk funding (Int 15).

Teachers can be informed if they are sufficiently interested. Otherwise the governing body fulfils its responsibility if it sends memos and puts notices up on the staff notice boards (Int 15).

Teachers do not think that parents have any real say in the management of early childhood education.

Parents don't have any say (Int 10).

Parents do have a say in theory. But unless you have a member of Council on your kindergarten committee I think there is almost no liaison. We do get our little handouts from them on various issues but that is in the other world. Committees are so tied up with fund raising and getting their own centre running that you don't actually get involved with the politics further up (Int 17).

Parents were probably too scared to say anything (Int 15).

We have some parents who grasp everything but they are rare, maybe 10 out of 100 (Int 15).

I do not feel that parents are consulted either. The consultation process is confined to the top echelons and if something feeds down we are very lucky (Int 13).

Union

It is not easy to evaluate how privately owner centres operate. There are great variations. Some centres are owned by a qualified teacher who works as supervisor. Some are owned by people whose role is only financial management. They have little to do with the day-to-day running of the centre. Some owners own several centres. As there are no constitutions and no requirements to disclose management practices it is not easy to judge how many parents and teachers are involved. NZEI has become aware of how centres operate through working with its members who are employed in community-based centres and private for-profit centres.

For a private centre it is often only the business owners who make that decision, some of them do operate with parent committees and are quite open about their financial business. Many of them however will make the decision by themselves and neither the staff nor the parents are involved in that.

For kindergarten it would be the associations largely, which are making the decision, the Council very much lead if they have a financial adviser, or the executive officer would play quite a critical role.

The kindergarten committee would have a say in funds raised locally and not about payment of staff salaries or major expenditure such as building up-grades. So the committees themselves have little power, the council have more and the paid staff of the Council rather than the senior teachers has more say.

In Community childcare centres I would expect it to be the management committee with probably the supervisor of the centre having a fairly leading role (Int 1).

Summary and conclusions

The manager of Auckland Kindergarten Association identified what he saw as being a solution to the dilemma of needing a group of skilled people to run a business and also needing representation.

I think that there is a basic question which Council needs to ask which is what its role is. Its role is governance in terms of responsibility for the government funding that comes in. But from there should it be playing the part of a representative body or should it be a group of experts. It seems to me that Council has taken on the view that it is a group of experts. I think that there is a role for a group of experts but a representative body is pretty important as well (Int 3).

He felt that the revenue generating activities should be left to people skilled in this area and decisions about spending money should rest with elected representatives.

The body of representatives belongs in the Council Room for the Auckland Kindergarten Association and it is their decision as to what to do with the money we have brought in (Int 3).

The responsibility for different aspects of financial management was studied by Wilson et al. in their research into the financial and operational impact of bulk funding on kindergartens. They discovered that although the whole Council approved the annual budget in 80% of associations, in 32% the executive officer and in 44% a sub-committee prepared the budget (Wilson A. et al., 1996 page 33). From my examination of association minutes it would appear that the budget is usually accepted without major changes or indeed without much discussion by the full Council. This indicates that it is unlikely that many elected representatives have much real say in the allocation of financial resources.

In independently run childcare centres someone has to take on the role of expert. In most situations it will be a paid employee, often the supervisor, which leaves the problem of ensuring adequate representation of parents.

Question 5: What areas appear to have priority for spending?

Introduction

The next three questions in the interview look at the past, the present and the future. This question deals very much with the past in that it asks people to consider what their priorities would have been if they had been in the position to allocate the money (as some of them were). Question 5 is important in terms of uses made of the increase. Some

interviewees, those actively involved in centre management, based their answers on where the money has actually gone.

I know because I was party to making sure what it (the increase in bulk funding) was spent on (Int 7).

It is not within the scope of this research to identify outcomes for children, but simply to look at where people think priorities lie. This section examines stakeholder views of investment priorities and will then examine the relationship between these areas of spending and outcomes of quality, affordability and access.

Table 10: Which areas do you think appear to have priority for spending?

Investment area Stakeholder	Wages	Play Equipment	Improving Buildings	Staff developmt	Reduce Fees	Reduce ratios	Non-contact time	Staff quals	What else?
Politicians	√√		√		√			√	
Bureaucrat				√			√		
Business Sector	√√√ More staff		√	√					Meeting budget
Parents	√	√√√	√√	√√					
Teachers	√√√√√ √√√√	√	√√√√	√√√√√√		√√√√		√	Research
Union	√			√		√	√	√	
Totals	16	4	8	11	1	5	2	3	2

I asked interviewees to identify which areas of spending would bring about the results which the policy text identified:

- higher quality
- affordable early childhood education services
- greater access.

Quality

The significance of these variables to outcomes for children is discussed in Chapter 2. Although there is no absolute agreement on definitions of quality, for the purpose of this study I have used structural variables. These include the three most significant structural variables affecting quality, identified as the “iron triangle”:

- adult/child ratios

- group size
- teacher education/training (Phillipsen, 1997).

Most of the people interviewed focused on two main areas (which are aspects of the “iron triangle”):

- Number of the adults working with children (adult/child ratios and group size)
 - Adequate staffing levels
 - Reasonable adult/child ratios.
- The quality of the adults working with children (teacher education/training)
 - qualified staff
 - stability of staff (low staff turnover being desirable),
 - good rates of remuneration
 - professional development opportunities
 - good levels of non contact time.

People also identified other parts of the structure which do not come into Phillipsen’s equation. The Early Childhood Education Regulations focus on standards of equipment and buildings more than the quality of the people teaching. When parents visit a centre with a view to enrolling their child they see the physical environment as well as evaluating the quality of interactions. I have included this area as it featured as being important to the individuals who were in the trial group for interview design.

- Quality of the environment
- Safe environments
- Quality resources and equipment.

The structure of the interview question did not encourage people to discuss process variables such as the quality of interactions. Some interviewees did bring up process issues. There was comment on the necessity of considering community needs.

Some money should be allocated to looking at how kindergarten can be more sensitive. They are such rigid organisations. You get 3 afternoons and 5 mornings. It is very inflexible you can’t choose your days to fit in with your work. Parents have to do what kindergartens ask them to do so they are going away from us (Int 13).

A childcare centre manager pointed out that quality could be dependent on intention.

The intention of supervisors, owners and a lot of education and debate has improved the quality (Int 4).

Views about ratios, group size, staff conditions and qualifications have been seen as having some relationship with quality for many years. In the 1964 publication celebrating the 75th anniversary of the establishment of the first free kindergarten in New Zealand Mr. A. E. Campbell, the Director of Education made these comments.

I recall a period when the movement could have gained financially by increasing the child:teacher ratio. It is much to its credit that, despite its poverty, it put quality first and resolutely resisted the temptation to permit larger groups.

I pay a special tribute to the staff of earlier years- the women who battled on so cheerfully and devotedly at a period when there was very little public recognition of their efforts, when salaries were pitifully low and the service offered neither security nor prospects (Downer H, 1964).

He identified 34 years ago that staff/child ratios and staff salaries were issues of concern. Those people interviewed for this research would indicate that this has not changed.

After the budget, Hon Wyatt Creech, the present Minister of Education was quite clear about what he thought the money should be spent on. He stated in a post-budget speech on the 26th of June 1997 (see Appendix 13) that he expected the bulk funding increase to be spent on wages.

Qualified staff

The studies, examined in the review of literature, into quality in early childhood education make comment on the value of having qualified staff (although definitions of “qualified” vary considerably).

The Early Childhood Council comment on the difficulty experienced employing staff with diplomas in early childhood education (Early Childhood Council, 1996 page 19). In their survey they reported that 30% of respondents reported difficulty attracting qualified staff. In 1998 they report that the situation has been made worse by the Government’s decision on Quality Funding (Early Childhood Council, 1998). Teachers with a Diploma of Teaching (ECE) are necessary for centres to receive Quality Funding so the demand for their services has increased more rapidly than supply.

Finding qualified staff is a sector-wide preoccupation at the moment and it is unlikely that any early childhood employers undervalue their staff. They may underpay them in comparison to other teachers but they live in fear and trepidation of staff moving on.

Our resources are our teaching staff (Int 9).

I would say that top of the list is qualification by saying that I mean a Diploma of Teaching which is registerable by TRB (Int 5).

Staff training, getting better trained staff. The objective is to offer all children in early childhood centres an educational experience which is equivalent to the benchmark set

which in my view was kindergarten. That means trained staff otherwise we are selling the kids short (Int 5).

Qualifications, if you are looking at early childhood education overall not just kindergarten. Early childhood education teachers generally are not well qualified so are they providing good care for children? (Int 16).

Not everyone unquestionably accepts that qualified teachers in kindergarten automatically equate to quality.

A lot of argument is about quality it still has to be determined whether having three teachers gives quality. There are still submissions there (Int 7).

It is the view of industry providers that these qualifications (the Diploma of Teaching) are most unsuited for infant and toddler groups (Early Childhood Council, 1998).

Stability of staff (low staff turnover being desirable)

Many businesses are concerned with staff retention. It is expensive and inefficient to have to acquire and train new staff. It seems particularly logical that in an area where much depends on communication and relationships having a regular turnover of staff is undesirable. Parents and children are unsettled by having a constant turnover of staff.

Parents involved in my current teaching position make much of the fact that for the first time in four years all three positions are filled by permanent teaching staff. The Auckland Kindergarten Association Council obviously appreciates this fact.

We continued to put the money into our human resources. For example to increase salaries, improve recruitment and retention, which is something we value. In reality it has given us a stable work force. These are things a business needs. We have put a lot of money into that (Int 7).

You need the wages to retain the trained staff. If it had gone on as it did before so many kindergartens working with relievers and untrained staff. It has achieved bringing back trained teachers. So I guess in the long run it has improved quality. It still comes back to wages (Int 10).

I know that when we did get a significant pay increase - it did keep some teachers who were thinking of leaving (Int 17).

Good rates of remuneration

This is the area mentioned by the greatest number of people in this research and in "Future Directions". It is significant that politicians from three political parties mention pay rates as an important factor in early childhood education.

I believe a significant portion should have been spent on wages (Int 6) (New Zealand First).

You won't keep people and you won't attract good people unless the salaries are high enough. People in childcare centres complain about not being able to get qualified staff (Int 5) (Labour).

5 percent increase in the funding subsidy for licensed and chartered early childhood services -which should see an increase in pay for kindergarten and other early childhood teachers (National).

Managers of services identify the size of the wages bill.

A 3% wage increase in this organisation means just over \$300,000 a year (Int 3).

Staff wages can account for 80% of your costs. Not only do we have to close up the ratio to cope with new interpretation of the regulations and quality factors as well. But we have had to increase the number of qualified staff and the fact that we have a shortage of staff. All of these factors compound to mean that our wages have increased by maybe 23% over about a three year period. It goes nowhere when you are paying \$45,000 a month in wages (Int 4).

Although the weekly dollar amount for teachers may have been small, the increase in pay had great psychological significance. Teachers were pleased with the increase and felt that it did improve quality.

We got 2.5% over 18 months (Int 8).

I do think the '97 pay rise was a turn around for us as people having been stamped on for years that all of a sudden there was a feeling of "Hey, somebody likes us". It was a very positive feeling (Int 10).

If you get a pay rise ultimately you do feel valued. We had been through a period when we had not been valued as people at all (Int 17).

Wages. It is a chain reaction, it affects everything if you are getting decent wage it effects everything (Int 12).

The wage increase of 1997 did not however totally comfort teachers about the long term prospects for early childhood education. There is much concern about the future recruitment and retention of teaching staff. Factors such as repayment of student loans, level of tertiary fees and the removal of kindergartens from the State Sector cause anxiety. Now that primary teachers with degrees have pay parity with secondary school teachers, early childhood education faces stronger than ever competition for recruiting students to pre-service teacher education. Appendix 3 shows a comparison of salaries across the education sectors.

What type of people are going to be attracted to a dead end job? There is no hierarchy to move through, the prospects are really poor for supporting a family or having a decent lifestyle compared with most other jobs with the same sort of qualifications. The highest you can get as a head teacher with a degree is \$41,000 you can get that as a primary teacher just remaining in your classroom with no other responsibility (Int 8).

Why would anyone train in early childhood education? People are coming out with a student loan, how do they get a home and fund life's requirements on twenty three thousand dollars (Int 9).

Pay staff more, we are finding it difficult to get staff (Int 21) (Parent).

Professional development opportunities

Various people spoke of the need for ongoing professional development. Auckland Kindergarten Association allows teachers to claim \$150 each year to cover the cost of professional development. They also provide a number of professional development opportunities which teachers take up without cost to the teacher. Childcare centres can take part in the Ministry of Education funded Professional Development Contracts schemes or can attend courses which the centre has to pay for.

There are concerns about the adequacy of provision in this area.

Our shortcoming in that area is that we do not have a well identified training and professional development plan for the organisation and the individuals in the organisation. That is where I believe the money should be put before it is put into physical environment. I believe that the people with the right skills have the ability to overcome the physical environment and the limitations of less than ideal equipment (Int 3).

Some may have been allocated to staff development although the budget made a separate allocation for some staff development (Int 6).

Staff development should be part of the original package prior to the wage increase, they should value us and want to invest in us (Int 17).

As a teacher I think it's our responsibility to keep up to date. Professionalism is good and I'd like to have some financial support but it's up to me. I have to go out there and do it myself (Int 15).

Parents

Professional development is inadequate, our head teacher was saying that teachers only get a certain amount and when it is gone it is gone. It's atrocious (Int 18).

Private companies pay for staff to go on courses (Int 20).

I don't think that the teachers get a very good deal when you go on courses. I don't necessarily mean that I feel that they need to go and do courses but I know that if you go on a course that you don't get paid and you have to pay for the course. I think that it is abysmal (Int 21).

Good levels of non-contact time

Although non contact time is a structural feature it is identified here that there is a relationship between it and the process of reflection on practice.

I think that non-contact time is particularly important because of being a reflective practitioner. In terms of quality having trained and qualified staff who have time to reflect on their work and to evaluate and assess their own practice is required. So the idea of being a reflective practitioner is important to improving quality (Int 1).

Something for the staff, maybe not straight-out remuneration. It might be that the staff might appreciate and get something out of professional development including a chunk of non-contact time. There's not enough research on that but we think that's the effective way of improving staff practice (Int 2).

Adequate staffing levels

Reports on the impact of bulk funding on kindergarten indicate that work load had increased and teachers felt that this affected the amount of time they had to spend with children (Wilson A. et al., 1996), (Wylie C., 1993). This view was shared by some interviewees.

The view at the moment is that money should go into paying for additional people rather than paying more. Administrative support would be a better way of spending the money than it going to individuals as a wage increases (Int 3).

Reasonable adult/child ratios

The large group size and adult/child ratio is mentioned as a concern by many people involved with kindergarten. The decision to operate 45/45 kindergartens (see Appendix 6, Glossary of Terms) was an economic one as government funding was dependent on

regular attendance. One of Cathy Wylie's major findings of her research into bulk funding in kindergartens was that there was pressure to maintain full rolls and concerns that increased group size would have negative effects on children's learning (Wylie C., 1993).

While parents continue to praise the quality of the service they receive, teachers continue to be concerned.

Go back to 40/40 or at least 45/40. I find that in the afternoon particularly we do crowd control. That bothers me and we look at ways of fixing it. We can fix it for a day then we are back to square one. I don't think that it is to do with having more staff, it is just too many children in the group for the afternoon children to relate to (Int 17).

Then I would put money into group size (into maintaining educationally advantageous group size) and into ratios and pay and conditions (Int 1).

Safe environments

Maintenance of buildings and grounds is obviously an on-going requirement (Int 6).

It has also given us the ability to look at things such as property. We have spent a lot of money on property. A lot of our money has also gone into building upgrades, safety etc (Int 7).

Keeping children safe seems a very basic and minimal requirement. Safety is a major concern for teachers who are working with children on a day-to-day basis. The Education Review Office report on quality in kindergarten said that 33 out of the 71 kindergarten studied had some form of hazard that needed urgent attention (Education Review Office, 1997).

I would spread it evenly between staff wages and resources, bringing buildings up to regulation standard. I would give kindergarten something to put in term deposit so that they would have something there so if donations don't come in they have something to use. There should be more support for committees. Payment of staff is essential but when you look at this community they have to see the quality of their surroundings, the environment is important for our children, safety, every aspect of the environment is important (Int 14).

It would have to be a priority. If it is not safe for the families then that is an issue, that is a priority for me (Int 15).

I would be putting it into resources and making the environment safe. I would have looked to conform with all the health and safety regulations as we are meant to (Int 13).

Quality resources and equipment

Teachers thought that there could be other ways of accessing money for equipment such as grants in most kindergartens but in poorer areas it was acknowledged that bulk funding might need to be spent on basic equipment.

Wages. Yes but I understand that if you have a kindergarten somewhere else with lower income families then you have to look at the quality of resources. If there was some area that was really lacking you would have to spend the money on that (Int 12). Some of it was spent on sand and bark (Int 15).

Parents value well equipped kindergartens and childcare centres.

Resources are always a good area to spend money on in a kindergarten, you can never have enough and it always needs replacing (Int 22).

We need major work done in our kindergarten but I think that the committee should organise that. I think that government money should go specifically towards the kindergarten resources rather than be spent on the kindergarten building (Int 21).

Affordability

Few people felt that the increase in funds would make any difference to the cost of services. It was felt that the increase in bulk funding might have put off fee increases but it was unlikely that any services would have reduced fees.

It might have held fees. That may be the only thing that would have come out of it and that is a plus for parents (Int 5).

Kindergartens are free so affordability should not be an issue.

It should be free to parents. The \$2 donation is not a great cost to our parents. In some kindergartens it is. It should be subsidised (Int 15).

The variation in levels of parent donations in kindergartens is considerable with the highest Auckland Kindergarten Association kindergarten donations being in Remuera. It received \$45,719 in 1997 whilst there were several kindergartens of equivalent size who received less than \$10,000. The recommended donation of \$2.00 per session is obviously beyond the means of many parents in some areas. If all parents whose children attended a kindergarten licenced for 45 children paid the recommended amount the kindergarten would receive \$28,800 a year. In Auckland only two kindergartens received over this amount. Parent donations are increasing each year by approximately 5% but this is reflected in a greater increase in the richer kindergartens than the poorer.

Table 11: Donation rates (\$) at two Auckland kindergartens over the last five years (Auckland Kindergarten Association Annual Reports).

	1993	1994	1995	1996	1997
Avondale	7361	7925	7315	7652	10211
Remuera	26141	32976	37761	41195	45719

The donations cover running expenses, equipment purchases and support staff. The “poorer” kindergartens who tend to have more children from non English speaking backgrounds and arguably need support staff are much less likely to be able to afford it.

Kindergartens all have similar overheads such as power, telephone, rates and insurance but lower donation kindergartens tend to spend less on kindergarten expenses such as

buying equipment (Auckland Kindergarten Association, 1998). There is an ongoing concern (Hansard, 1997) that kindergartens will be forced into becoming fee paying which may exclude lower income families as well as those who earn just a little too much to be eligible for childcare subsidy. The increase in bulk funding may have maintained fee levels for a while in childcare centres (see Appendix 11).

Childcare Centre Affordability

It is not going to be a huge figure anyway, if you put it all into reducing fees for example a 2% decrease in fees, its not a lot.

There's not a large proportion of parents would mind a fees increase, there is someone else in the queue (Int 4).

There is a high demand for childcare places in Auckland. As evidenced by this last quote, childcare centre management has little incentive to keep costs down as there is always someone else waiting for a place. Affordability continues to be an issue for low income families wishing to access childcare. There is often little financial incentive for low income parents to seek employment.

The cost of being in employment builds up. Even if the family received childcare subsidy they would still have to pay about \$60.00 (a conservative figure) in childcare fees for a child over the age of two. Fees charged by centres fall mostly between \$80 and \$140 (77%) for over twos for a full week and \$100 and \$160 (73%) for children under two (AGB McNair, 1994). Anecdotal evidence would indicate that charges are much higher in Auckland in 1998.

I would suggest that the cost and stress which low-income working parents have would require that they have a much higher rate of childcare subsidy for childcare to seem affordable. The cost of childcare centre fees has gone up to cover increased wages. Parents of children under the age of two are disadvantaged in that the fees are usually higher but the subsidy remains the same (Moss M., 1997).

None the less enrolments continue to rise in childcare centres and more centres continue to be built. See Appendix 4 for details of increase in enrolments.

Access

The ways to increase access would be to build more centres or increase the number of places at existing centres. Does more money increase the number of places? When considering early childhood education as a business opportunity then logically it would.

The good news is that the government intends to continue bulk funding. That they have increased it is a very strong signal that they intend to continue bulk funding so

that has got to be a plus. The supply side is likely to grow in response to parent demand.

As a person in private enterprise I would not be prepared to start new centres. Increasing the number of centres has two aspects in that it gives choice to available parents and the second thing is that it provides competition which puts constraint on two things, the price of fees and also give a reasonably strong incentive to improve quality (Int 4).

The Hon Wyatt Creech, the Minister of Education, spoke at the Annual Conference of Kip McGrath Education Centres on 19 April 1997 emphasising the areas he felt were important. These were access and quality.

Good-quality early childhood education provides the foundation for children's later learning. However more professionalism is needed in some areas, and greater access in others. Early childhood education is an area the Coalition Agreement placed some emphasis on (Wyatt Creech, 19th April 1997) (<http://www.govt.nz>,).

I think the access thing is important. I was so impressed by Sweden and Denmark. Denmark was de-centralised but the communes took a hugely responsible role in provision. They did have this cap on charge that was related to family income as well. You were not allowed to charge more than that amount. You knew that you would only be charged a certain proportion of your family income. I think that access and fees needs to be put in a box on its own and we need to plan for it. We don't just thrown money at it we need to plan for it and have a policy on how to reduce the fees (Int 1). If you look at things in a macro-economic level rather than the micro it has to have made things better. If you average the thing out over the whole country it has to have meant that centres will continue to be built (Int 4).

Some suggestions aimed to improve quality would reduce access.

If I had an ideal I would concede 45 in the morning if I had to but I would like 35 in the afternoon, that would be acknowledging the needs of children. This is a classic example of the failure of bulk funding, what happens next time, do they just re-measure the building and say you can fit 50 in here (Int 17)?

Merely kept up with the running costs

Childcare centres had been making plans to increase fees, were holding down salary costs as much as possible and were worried about managing. The increase in funding gave them a little breathing space.

I think that it was already spent quite frankly. We were already slipping behind (Int 4).

Conclusion

Staff conditions are a consistent focus. People from all groups feel that this is an important area to invest in. Although the people interviewed had different definitions of quality there was an agreement that quality was an important issue. The question is not so much about raising quality as maintaining quality. Employers want to continue employing qualified staff to work with children but are concerned about supply now and in the future.

Having qualified staff, allowing professional development time and developing quality systems to allow continual improvement are universally agreed on by interviewees in this research. Not everyone sees paying more or having staff with Diplomas of Teaching as being the only answers, but the area of staff conditions and development in general have priority.

Question 6: In your opinion or experience has this money brought about the required improvements?

Question six asks interviewees to examine the current situation a year after the bulk funding increase to say whether they felt that it met its goal. Early childhood education centres had experienced a year of increased bulk funding before I interviewed for this research. A complete budget cycle had occurred and people were aware that the Government had decided to invest a further 2% increase in the 1998 budget. This question gives interviewees an opportunity to reflect on whether there has been any change in quality, affordability or access.

As one of the interviewees pointed out “It is a relative question,” which of course it is. He felt that the answer was also relative.

It has in a relative sense. If it hadn't been for the extra funding the quality would be less this year (Int 4).

The Associate Minister for Education agreed on that point.

I believe that it has brought about an improved quality of service over what would have occurred if the money wasn't given (Int 6).

Sarah Farquhar chose the title “Quality is in the Eye of the Beholder” for one of her works on the subject of quality in early childhood education. There are no objective, standardised, nationally accepted measurements of quality in early childhood education in New Zealand and no expectations of delivery were given to providers by the Government in 1997 with the increase in bulk funding. Therefore we are left with asking for opinions on whether people think conditions are any better.

There have been a variety of changes to the daily operation of early childhood education centres over the past five years. One of the questions the University of Otago Consulting Group (Wilson A. et al., 1996) was to consider to what extent changes could be attributed to bulk funding policy. Other possible contributing factors include the introduction of Te Whaariki, the Privacy Act, Health and Safety in Employment Act, Human Rights Act as well as more stringent efforts to implement child abuse prevention

policies. These and other phenomena greatly increased the administration workload in early childhood education centres but there has been no increase in funding for administrators. The work had to be done either by volunteers or by increasing the workload of existing staff.

Association Council members and teachers felt that the introduction of bulk funding had increased the hours of work, workloads and range of functions of teachers, senior teachers and administration staff. It is also perceived to have negatively affected the morale of staff (Wilson A. et al., 1996 page 42).

The question: “In your opinion or experience has this money brought about: improved quality of services, made a service more affordable or allowed children greater access?” brought the following responses. This table gives a summary of interviewees responses to this question.

Key:

- √ Indicates that the interviewee thought that the investment had achieved that particular goal.
- * Indicates that the interviewee though that the investment had not achieved that particular goal.

Table 12: Opinions on changes resulting from increased bulk funding.

Group	Improve quality of services	Made a service more affordable	Allowed children greater access.	Released the stress of meeting existing budget
Politicians	√	* √ held fees	*	
Bureaucrat	√	√ held fees	*	
Business Sector	*√√	*	√*	√
Parents	√	*	*	
Teachers	√√√√**	**	√**	
Union	√ maybe			
Totals	10, Yes 3, No	2, Held fees 5, No	2, Yes 6, No	1, Yes

In your opinion or experience has this money brought about: improved quality of services?

In their replies to this question, interviewees again focused on their own perceptions of quality. They suggested features such as:

- The quality of the adults working with children (for example having qualified staff who enjoy good rates of remuneration, teacher education/training).
- The quantity of the adults working with children (for example group size and adult/child ratios).
- The quality of the environment (for example having quality resources and equipment).

The maintenance of quality is seen by some as being dependent on factors other than financial input. Teachers and managers believe that although circumstances may be less than perfect they have a responsibility to maintain a good quality of service.

Even when things were really bad it still didn't impact on the quality of service. You still ran the same quality of programme. I think that our professional ethics ensured that that happened. It has to do with us as people - we care what happens and we don't hand out sub-standard programmes (Int 17).

I don't think that the 5% against a background of higher costs has meant an improvement in quality. The fiscal issues are quite separate. The intentions of supervisors and owners have improved the quality but the fiscal issues are a little bit independent of that (Int 4).

If we accept that there is a relationship between adult/child ratios, group size and teacher education/training and quality, has the increase in bulk funding improved quality in any way? Many people do make a connection between the level of salary and quality of service (see review of literature in Chapter 2).

Good rates of remuneration

NZEI have worked hard to negotiate pay for their members that rewards them for higher qualifications.

We did get pay increases for staff which was quite important. In the Consenting Parties Contract we now have four rates. These relate to different qualifications if you have a Diploma of Teaching up to T4 is if you have the full higher Diploma. That was quite a significant move forward to have qualifications recognised in the contract in the same way that kindergarten have P 1 to 3. So I can say from the perspective of improving pay and conditions for staff that it has improved quality (Int 1).

But NZEI acknowledges that many early childhood educators are not under any National Contract. The rates of pay are varied and centres with low pay have a high staff turnover but they also employed people who, because they are untrained, would not be

employed by a Consenting Parties centre. It is acknowledged that there are factors other than increased pay which improve staff retention.

There is another general manager in Auckland Kindergarten Association. I think that he has probably had a positive effect. I think that the previous manager's policies were anti-staff. I would say that that was a huge factor (Int 1).

Some people felt that the increase had not so much improved quality but rather had stopped things getting worse.

We wouldn't have increased wages, we would have been a lot tighter. It might give you an extra \$150 over the centres that we've got, maybe a bit more than that. It goes nowhere when you are paying \$45,000 a month in wages (Int 4).

Qualified staff

For some time there has been a shortage of qualified teachers in early childhood education (Early Childhood Council, 1996). This was exacerbated by the requirements of Level 2 funding which increased the demand for teachers with a Diploma of Teaching. In 1997 only the Colleges of Education and Universities were graduating students with a Diploma of Teaching approved by the TRB. By the end of 1998 this had changed so that five Polytechnics and four Private Training Providers had met TRB requirements (Mansell, 1998).

The excess of demand over supply may begin to level out in 1999. The graduates of 1998 are finding that there are fewer jobs to choose from than those of 1997. In 1997 and 1998 employers were finding that the increased funding did not give them the ability to employ more qualified staff, simply because they were not available, in Auckland at least.

Today I have had someone in who is most annoyed. Her complaint is having to have more trained staff but not being able to get them. There is a terrific shortage and she just can't get qualified staff. She says that if they are going to set these requirements what are they doing about the supply? The reality is that the cost of tertiary training is too high for people who are not coming out to high salaries. The graduates are coming out with the same level of debt as those who are getting salaries of \$40,000 and you are coming out to a \$21,000 job (Int 5).

The staffing situation in Auckland Kindergarten Association has improved and some people attribute that in part to the wage increase which was made possible by the increase in bulk funding.

In reality it has given us a stable work force (Int 7).

The changes in staff situations have not been nation-wide. Wellington Kindergarten Association has had a different experience of staff vacancies over the past three years (see Figure 4 on page 73).

The number of the adults working with children

Some kindergartens choose to use locally raised money to employ either administrators or teacher aides which is perceived to improve the quality of the service provision.

Yes I suppose there is. We have a new afternoon helper for the teachers which has made a big difference to the staff (Int 21).

Teacher aid makes a huge difference especially in the afternoons where it is always so hard to get mother helpers (Int 22).

This is a view which is acknowledged by management who may in due course investigate spending some bulk funding in this way rather than on salary increases for teaching staff.

The view at the moment is that money should go into paying for additional people rather than paying more. Some things teachers have spoken to me about are administrative support and those sorts of things that would be a better way of spending the money than it going to individuals as a wage increase. A 3% wage increase in this organisation means just over \$300,000 a year. That could buy a lot of individual administrative support for kindergartens.

If we pay someone \$15 an hour for four hours a week that would be \$60 per kindergarten, \$6000 a week for 40 weeks per year \$240,000 (Int 3).

This idea may cause some problems for new graduate teachers who are sharing the administration at the moment and are being paid \$12.50 an hour, but it would be an interesting debate. Many community-based childcare centres choose to allocate funds in this way unless their supervisor has a particular personal interest in administration. Large centres or organisations with several licenced centres find it essential to employ an administrator.

The quality of the environment

A very basic structural variable is a safe and well equipped environment. According to one parent:

It is quality you can see. The quality it is measurable quality (Int 22).

Among the core common components identified by the Quality Indicators Project Team are child health, safety, physical environment and curriculum (Meade A., 1998b). These features can hardly be achieved without physical buildings and equipment. These are tangible things seen by parents in centres and often measured by external reviewers. Several interviewees acknowledged that good teachers can overcome poor environments but that this was at a cost.

It has been argued to me that you don't need a good building to have good outcomes; and you probably don't but what a challenge and what a burnout. I've seen it with some wonderful teachers (Int 7).

There is a temptation to invest in buildings and equipment. Although simplistic it is tangible. It is very satisfying to look around a well designed and fully equipped centre.

If you put money into teachers it is always difficult for Government to argue about quality as they see that as being a staffing issue and it is hard to measure but if you look at physical buildings the quality has improved. That is probably not a way of measuring good results because you should look at the way children would measure quality (Int 7).

Personally, having worked in a variety of environments, I would say that I find it easier to achieve a degree of quality when not having to worry about the inadequacies of poor fencing and insufficient equipment. Some managers have chosen to prioritise spending in these areas. Parents and teachers appreciate the results.

A lot of kindergartens have been upgraded, health and safety issues dealt with. I guess it allowed more ongoing maintenance (Int 10).

This kindergarten has been upgraded it has made a big difference, improved the environment (Int 11).

I feel that they made a concerted effort last year to make sure that the place was safe, with the inspection. What they did was to provide us with a safer playground and new fences. They did try, they did a good job here, what they did was have a real focus on getting health and safety up to scratch. They did a lot of work last year (Int 13).

The kindergarten is well equipped. We are constantly upgrading resources (Int 19).

In your opinion or experience has this money: made a service more affordable?

Views on affordability and access are clearer than those on quality. Measures are more concrete and objective in these areas. Fees can be measured and the numbers of places available are measured by the Ministry of Education each year. However there are other factors which affect affordability and access. Enrolments at Playcentre have declined by 6876 since bulk funding gave Playcentre an 230% increase in government funding in 1990. Enrolments peaked in 1989 at 23,934 and dropped to 17,058 by July 1997 (Stover S., 1998 page 237). Logically the increase in government funding which Playcentre had been asking for coincided with the beginning of a drop in enrolments and the continued closure of Playcentres. Ninety four Playcentres closed between 1989 and July 1997.

NZEI felt that the money had been used for wages increases.

I think that we swooped in and got all of the money for the Consenting Parties Contract. We tied it up so in that case it wouldn't have (Int 1).

There have been no large scale surveys of fee rates in childcare centres since 1994 (AGB McNair, 1994). My investigations of fees in ten childcare centres in Auckland indicate no changes in fees in 1997 but increases in 1998 (see Appendix 11). In Auckland, the demand for places in childcare centres is high. Centres are not competing for

customers so there is little incentive to reduce fees other than for altruistic reasons. This centre manager did not feel that it was worthwhile reducing fees.

It is not going to be a huge figure anyway, if you put it all into reducing fees for example a 2% decrease in fees, it's not a lot (Int 4).

Most interviewees could only speculate on affordability.

I have not heard of any fee reductions in centres (Int 1).

Some centres would have made the decision to hold fees at least. They might have held fees if they had been considering an increase in fees. I doubt if any would reduce fees (Int 2).

I would be interested to know whether it had led to prices being held. That may be the only thing that would have come out of it and that is a plus for parents (Int 5).

As kindergartens are donation-based, the increase in bulk funding should have made no difference as to whether parents could afford it or not.

Auckland Kindergarten Association annual reports confirm the findings of the University of Otago study which is that parent donations gradually increase each year, although they increase more in higher decile kindergarten. Levels of donations were affected by factors unique to individual kindergarten such as socio/economic status of parents and the local community (Wilson A. et al., 1996).

Parents who are in receipt of a "benefit" from Income Support Services are not given allocation for donations to schools or kindergarten. Parents, in my experience, express concern about not being able to support the kindergarten financially. In lower socio-economic areas donations receipts are sometimes very low (Auckland Kindergarten Association, 1998).

As long as kindergartens are donations-based they are affordable and so long as teachers pass that message on to parents that is fine. If teachers are under pressure to make sure that people pay, then you are not giving them the option of being able to come even if they cannot afford it; then it would become unaffordable. So long as teachers make it clear then it is affordable (Int 16).

I doubt it, it hasn't had any effect at all. Because we take donations, lack of money should not affect access (Int 12).

In your opinion or experience has this money: allowed children greater access?

The number of early childhood education places continues to increase each year with an annual average growth rate of 4.8% since 1990 (see Appendix 4). The area where the increase is greatest is in childcare particularly home-based care. The one service which is reducing numbers is Playcentre. Childcare centres continue to be opened and the sector must be reassured by continued government support. No one was likely to go out after the Budget and open up a new centre, but in the long term and looking at early childhood

education nationally, the increase would be likely to continue the increase in the number of child places available. This has to keep pace with the increase in population and the increased participation rates.

We are on a growth path so if there is an excess it is used up opening new centres. The good news is that the government intends to continue bulk funding. They have increased it and this a very strong signal that they intend to continue bulk funding so that has got to be a plus (Int 4).

At a meso level the increase may have given enough money to large organisations to open new centres.

In Associations where there's some sort of umbrella arrangement they could actually use that increase as equity to increase the number of places or to start up new kindergartens. I doubt whether it has had very much effect and I am just not hearing that coming through at all (Int 2).

Yes. It has given us a greater pool of money for us as a Board to direct money from. \$100,000 went to Otahuhu kindergarten out of the consolidated pool that has created a 45/45 kindergarten. More money gives you opportunities. Some of the up-grades we have done have probably prevented kindergartens from closing (Int 7).

Although it is acknowledged that there are other factors which influence the setting up of centres, community involvement and determination has always been an important issue.

Diane Mara has been doing a project looking at licensing and chartering of Pacific Island language centres. They are saying there are places but they are attributing that to where there are contracts with ECD or PIECCA where they have really good advisory support alongside the groups to help them get going. So they have attributed it to support structure not funding. That group of people are really keen to improve access (Int 2).

A couple of new kindergartens were built. I think that had more to do with the commitment of people in those communities. They did get support from Auckland Kindergarten Association - it probably helped them financially (Int 17).

The statistics on the number of centres available to July 1998 will be published in December 1998. The trend of an annual increase of 4.8% seems unlikely to change. The increase in bulk funding would be likely to continue this trend. If the increase had not happened there would have been a lack of confidence among those people who were in a position to invest in new centres.

There is always politics and I was extremely grateful for the increase in bulk funding. It is significant in that it gives a message from government which is "Yes, we don't want you to go away and yes we can see some improvements". That is important (Int 7).

**In your opinion or experience has this money:
just released the stress of meeting existing budget?**

The cost of running an early childhood education centre goes up each year. The Early Childhood Education Project estimated the increase to be in line with the general CPI

inflation movement of 12.6% for the period March 1990 to June 1996 (Early Childhood Education Project, 1996 page 26).

The compliance costs have gone up. Even silly little things like having to pay to have the fire alarm tested. The Future Directions report itemises things like that (Int 1).

Kindergartens and Playcentres face high deferred maintenance costs and the uncertainty of occupying Ministry of Education land. Working on deferred maintenance tends to sustain environments but does not necessarily provide higher quality.

In your opinion or experience has this money: made no difference?

Teachers were over-represented in the group who had seen little change.

I don't think that things have changed I guess they haven't got any worse (Int 16).

No, I cannot think of anything that has improved (Int 17).

This comment was reflected by many teachers who have experienced changes in conditions each year. In 1997 the decline was not quite so fast but some of that was seen to be due to changes in management.

The climate has improved due to a change in personnel but the efficiency has not improved. They have a long way to go to redress what has happened (Int 17).

The view of improvement in management is shared by management itself.

Money has gone down the drain, which is a comment on previous management that things were not co-ordinated, projects were not approached with foresight (Int 3).

Some people felt that the money had made little difference for a variety of reasons. Teachers did not see any change in their daily lives. They felt that the salary increase merely helped to keep up with inflation. Other changes and pressures had occurred which reduced the quality of their working environment.

Regulations have changed as well (Int 9).

Well we got a 3% wage increase which I think is awful seeing that the contract runs into April 1999. I feel that our role is becoming more and more a managerial thing. I think more and more that communities are having to be responsible for every aspect of kindergartens (Int 16).

Parents tend to have a more rosy view of the service they are getting.

It was very good anyway (Int 20).

That's hard to say. It's a wonderful kindergarten anyway (Int 21).

They do a wonderful job (Int 19).

Summary

There is some indication that quality has improved with wage increases in many awards, the employment of some additional staff and some investment in environments. Affordability has not changed either in fee-based or donation-based services. Access may

be improved in the long term by ensuring that owners and associations feel that it is worthwhile investing in centres. If there have been improvements they have been more in morale rather than in any real measurable outcomes.

The Auckland Kindergarten Association would have managed as we have for the past 90 years. We feel that kindergarten is happening. It is functioning, it is not in dire straights. We have 99% attendance and full rolls. Our waiting lists have dropped in some areas but we have happier communities, we have improved the standards in kindergartens the money has filtered through to through quality issues. We are getting there (Int 7).

The people involved in early childhood education put in a large amount of effort and voluntary work. It is obviously important to them that at least some politicians see the value of their work and acknowledge it in financial terms even if it was not as much as 12.6% requested by “Future Directions” (The Early Childhood Education Project, 1996).

I don't believe that it is total rhetoric. There is an agenda. There is the same theme coming through and it is about measurable quality outcomes. Without any doubt at all there is real evidence that this Kindergarten Association has benefited from that money. They can come here and see it. The very fact that we have kept the doors open in low socio-economic areas is significant. If it's for the right reasons and there are good outcomes and parents want it this government will back us and other governments will too (Int 7).

Question 7: In what way could increased funding be introduced which did improve quality, affordability and access?

Introduction

Question seven invites people to design the future and say how they think that policy could be changed to bring more certain results. This question invites people to say how they think that the delivery of bulk funding could be changed. The present system for funding early childhood education centres is one which looks at structures. Licencing requirements concentrate on buildings, equipment, staff qualifications and numbers of children. Quality Funding is dependent on qualifications and adult/child ratios. Even the Associate Minister of Education with responsibility for early childhood education expresses doubts that the current system can ensure quality. In answer to the question he responded:

I believe it would be difficult in the regulatory framework which presently exists. The members of a particular institution have a better idea of the institution's needs than bureaucrats in Wellington (Int 6).

Helen Clark appears to agree that the way funding was provided could be improved but not within the current system.

I suppose that my point would be that with a change of government we would be interested in increasing the subsidy but there would have to be strings attached. We need proper bench marking (Int 5).

In what way could increased funding be introduced which improved quality?

Many people have come to the conclusion that there is more to quality provision than qualifications and buildings. The ECU published a booklet to guide parents making choices when seeking a place for their child in an early childhood education centre. In this booklet they advise parents visiting a centre “How to tell if this is a good service”. Parents are advised to look for many concrete structural things such as good equipment and clean environments.

They are also asked to judge whether:

Staff relate easily to children, to visitors and to each other.

Some of the staff have been there for some time and all appear happy in their work.

The customs of each family are accepted and appreciated.

Staff speak respectfully to and with children (Early Childhood Development Unit, 1997 pages13-15).

These guidelines require some subjective judgement on the part of parents. How can an observer tell if all staff appear happy in their work?

The interviewees in my research grapple with trying to reconcile the provision of money with esoteric notions of quality. The challenge is one of measuring phenomena which are inherently difficult to quantify. Politicians are aware of this as much as anyone.

It does concern me that the government doesn't have a return figure (on quality) that they can look at. It has always worried them. In the “Speaking Directly” conferences (1994) Luxton and Lockwood Smith came to hear the finale, they were sitting behind me and they were having a serious debate between themselves. They were saying: “If only they would tell us exactly what they mean by quality, an objective measure of it, if they could give a consensus of exactly what is meant by quality we would pay them for it”. It was sad because we could not provide that then and I don't think that I have seen any forum where we have provided it since (Int 4).

Do the members of early childhood education institutions have a better idea now than they did four years ago as to objective measures and are they any nearer consensus? There are two conflicting philosophical requirements involved in this. The principals of equity across sectors and acceptance of diversity were tackled by Dr. Meade and Anne Kerslake Hendricks in their discussion paper on quality improvement systems and indicators. They

suggest that there are common core components with additional components introduced by different umbrella organisations for their particular service (Meade A., 1998b).

Several interviewees make the connection between measurement and process variables such as relationships.

I believe that at the end of the day for any funding to have an impact on the environment there have to be measures. Whether that child feels respected and in return gives respect because of that. How do they feel about that environment and not all of that comes down to qualifications or physical environment? It comes down to the quality of the interactions (Int 3).

Dr Anne Meade discusses the quality indicators project and the complex task which has been set.

The Quality Indicators Project is an attempt to use some sort of incentive funding to improve quality. It had some perverse effects though. The guidelines are that it is to embrace process variables as well as input variables such as qualifications and ratios which of course makes it even more complex when you consider the diversity, age groups, centre-based and home-based and all that stuff. It begs a whole lot of questions about what is quality too, which we could probably spend another whole year on trying to tackle (Int 2).

A childcare centre manager had some simpler solutions as to how money could be invested to ensure quality. Some system should be in place to ensure that bulk funding is not continually eroded by inflation.

Bulk funding should be indexed, adjusted so that it was equitable, have the anomalies taken out then any extras which the government wished to invest should be put aside and invested in quality management systems (Int 4).

He had some practical suggestions as to how centres could achieve higher quality.

Because of the size of centres they cannot get the continual flow of professional support, but they can, working as clusters. If all of those independent centres registered with a quality management scheme that supported them, then that could be the criteria for indicating a commitment to improving quality (Int 4).

There are some continuing concerns with the teacher qualification systems which favours pre-service teacher education. This involves people making a decision about a career and investing three years of time and money before entering work as a fully qualified teacher. Many people work in early childhood education who have no qualification or are only part way to a Diploma of Teaching. There was a suggestion that quality could be improved by investing more in providing training for those already working in the field.

Field-based is the way to go, and if we link it in with the cadet type scheme, the old mentoring system is the perfect way to do it (Int 4).

Many people interviewed are aware of the philosophical move to measuring outcomes rather than outputs.

Whatever comes out of government now they are going to look at outcomes (Int 24).
There is the same theme coming through and it is about measurable quality outcomes (Int 7).

There is a questioning of whether traditionally accepted structural inputs can be accepted without question. Even kindergarten employers who have insisted on qualified, registered teachers (if they were available) are not relying on this as a guarantee of quality.

You can't just yell that we have three qualified teachers and say that is quality because that doesn't seem to wash with the Government. They have other providers who are putting up other indicators. We as a kindergarten are being challenged by our competitors. I don't believe that we can say that all of our 103 kindergartens are better than some of the others (Int 7).

Teachers and some parents however believe qualified teachers do make a difference and that the answer to quality provision lies with making government responsible for the payment of salaries as they are with the majority of the compulsory sector.

Acknowledging that qualified teachers do make a difference. You need qualified teachers for quality teaching, have tagged funding to wages (Int 10).

They could take responsibility for salaries and give realistic funding for everything else (Int 22).

There are concerns about the lack of guidance about the uses of bulk funding. Several people indicated that although it might be unpopular, tighter measures to ensure spending in certain areas would be the way to ensure quality. This was a view which was popular among teachers.

Specify the uses of the money. If they were going to aim it at wages then say "this money can only be accessed for wages or this money can only be used for equipment". You can't just give out money and expect people to know what to do with it (Int 13).
If we look at the parallels with health they are a lot stricter now to get licencing and to get older people to come into resthomes. It may be that there comes a point when the state says look I'm sorry we are not prepared to licence you or make a subsidised place (Int 5).

Tag the money to qualified staff and well equipped centres. Which means that private centres cannot economise just to make money they have to have well equipped centres with good staff available for children (Int 16).

In what way could increased funding be introduced which would make a service more affordable?

The government makes childcare affordable to low income parents by giving Childcare subsidy. As previously stated, this benefit does not meet the need of many families. Cathy Lythe found that 80% of parents paid under \$10 a week for early childhood education which corresponded with the dominance of use of kindergarten and Playcentre. Parents in the highest income bracket were least likely to pay \$5 a week and most likely to be paying fees above \$150. However there are concerns about affordability. Many parents indicate that they choose kindergarten because it is free and conveniently

located. There is acknowledgement that families on lower incomes probably benefit most from quality early childhood education (Lythe C, 1997).

Kindergartens know that they are the group that meets the needs of low income families (Int 2).

There are certain groups under-represented in early childhood education enrolments. Maori accounted for almost 19% of all ECE enrolments which is slightly lower than the 22% of Maori participating in the school sector at age five. There was a 1.25% increase in the enrolment of Maori children between 1996 and 1997. The number of Pacific Islands children enrolled in early childhood education decreased by 0.8% between 1996 and 1997. Pacific Islands children accounted for six percent of all ECE enrolments compared with 8.4% representation at age five in schools (Ministry of Education, 1997b).

Anne Meade suggested that special provision needed to be made for Pacific Island families:

There is a whole bundle of policy needed for Pacific Island groups to improve access and affordability to early childhood education. There is a bundle of extra support that is needed for that group. We know that high proportions of Pacific Island families are in the lower income group and there is a high level of unemployment. Maybe they are always going to need an extra hand up. I guess I am saying that we need to tailor some extra policies - that are a little bit different (Int 2).

and for kindergartens.

It is almost as if there is a policy that the kindergarten movement needs on its own instead of doing this one size fits all policy for all the different types of services. There is almost something uniquely needed for kindergartens (Int 2).

Schools in decile one areas are given funding in acknowledgement of the challenges they face. Early childhood education centres have no such funding. Maybe equity funding would help.

Allowed children greater access? Pay some equity funding in lower socio/economic areas (Int 8).

There were few other suggestions about affordability. It appears not to be an area where there is much concern. This may be because at the moment there is more demand for places than places available in most centres. As one interviewee said, "There is someone else in the queue".

Childcare management had a suggestion which would increase the bulk funding each childcare centre could claim by getting rid of the anomaly that childcare centres can only claim bulk funding on the formula: Licence number X 30 hours per week (see Appendix 1). A centre that has children for 5.5 hours a day receives the same funding as one open 10 hours a day.

It is not just the difference between kindergarten and childcare but it is the limit they have on claiming. It should be each child up to 30 hours per week, not limited to the size of the centre. In a kindergarten the maximum you can claim is the 30 you are licensed for, but in an all day Childcare centre you could have the equivalent number of maybe 50 because they are there at different times. We would not need an increase in rate but it would cost them more money anyway. It would mean that the pricing structure to parents could change because at the moment there is no difference between 6 hours and 10 hours in terms of the fees but there should be. The reality is that those extra hours have no government subsidy (Int 4).

If funding was given for the hours each child was enrolled in childcare centres it would allow centres to reduce the amount they had to charge parents but it would increase the early childhood education share of the Vote Education budget considerably.

In what way could increased funding be introduced which allowed children greater access?

It has been proven that access will be increased by simply increasing bulk funding. The number of childcare centres and home-based care services has increased greatly since 1990.

Certainly that happened in 1989 because there was more money going in, a whole lot. It became a viable proposition to open a childcare centre (Int 1).

There may be reasons why there has not been a similar rise in the number of kindergartens. A childcare centre charging fees can expect to make sufficient profit to pay a mortgage but it is not common practice for kindergarten or Playcentres to open in this way. They tend to be established after years of community fundraising. The Ministry of Education discretionary grants scheme allocates money to groups primarily for investment in new centres. Most of the available funds are tagged to increase participation. An obvious way to increase the number of places would be to increase the amount of discretionary grant money available.

It needs to be quite a considerable level of funding I think. You have to help centres over the struggle and to ask "have we the resources and energy here to open another kindergarten?" (Int 2).

Increased access per se is not sufficient.

The other thing was, in terms of access, it's also not a matter of throwing money at centres and saying the market will provide. The government needs to plan for early childhood centres in conjunction with communities and make sure that there are services available that meets the needs of those communities (Int 1).

There is concern that access is improved in a well planned manner. Access needs to be in areas where early childhood education is most needed and there is no point in increasing access to low quality centres.

Auckland Kindergarten Association needs to open new facilities to target the right areas not simply to grow (Int 3).

Helping with transport was one suggestion. Some centres have invested money in mini-buses so that children can be picked up when parents cannot manage to reach the centre. Some children cannot attend kindergarten if it is raining or if anyone in the household is sick.

If we tied the accessibility and affordability together, in some areas if we tied the money to transporting people that would definitely provide access (Int 3).

Some teachers gave considerable thought to this question in relation to their communities and were willing to agree that just increasing the number of kindergarten places might not be the answer.

If you want to invest money in this area, I would like to build an under-two area here. There are a lot of parents where the mother and father are doing shift work. If the Auckland Kindergarten Association were to say "what are the needs of your community", I would say the building, secondly because we already have qualified staff I would say give me a centre for under-two because our parents need that (Int 15).

Another teacher thought that kindergarten might have something to learn from private centres. The traditional kindergarten system is not flexible in the number of hours or sessions which parents are offered. There might be other ways of meeting community needs.

We have to look at why private kindergartens are so successful. We are losing children and we are losing teachers. Private kindergartens tend to run lower ratios and they are flexible (Int 17).

These were a variety of suggestions from stakeholders that policy analysts and policy writers could consider. I have taken these suggestions into account when writing Chapter 9.

Chapter 8 Conclusions

The aim of this thesis was to analyse the reasoning behind the government decision to increase State spending in the early childhood area in the 1997 budget. I have:

1. Examined the processes between the inception of early childhood education policy and the eventual results.
2. Examined the outcomes of the increased funding.
3. Contributed to current research and debate on social policy implementation.
4. Applied the concepts of social policy analysis to the field of early childhood education.
5. Raised awareness among stakeholders of the decision making process in relation to the use of state funding.

1. The processes between the inception of early childhood education policy and the eventual results

The process of this policy was by no means transparent. Having examined numerous documents I concluded that there was no obvious policy development plan. The Coalition Agreement no doubt played a part in the decision to invest. Many people believe that the investment was part of the Government's agenda to distance itself from early childhood education. The timing of the State Sector Amendment Bill and the budget announcement were co-ordinated and it was obvious that kindergartens would not be able to settle contract negotiations without extra funding.

2. The outcomes of the increased funding

Quality

From the quantitative evidence available it is evident that adult/child ratios are unchanged, groups size is slightly decreased, there is an increased range of training opportunities available and rates of pay for teachers have gone up.

In areas of quality there are perceptions that some improvements have been made. Interviewees commented that wages were higher and some environments had been improved. While it is not possible to exclude all other variables to provide conclusive evidence that the increased bulk funding was a major contributing factor, it seems highly likely that this was the case. Many employers including the Auckland Kindergarten Association, would not have been able to improve pay without the 1997 bulk funding

increase. The staffing situation has improved for Auckland Kindergarten Association at least.

There is no universal agreement that Diplomas of Teaching will provide quality but the areas of staff conditions and continuing professional development, in general, have a high priority.

Among the people interviewed it appeared that staff conditions were a consistent focus. There was universal agreement in the value of paying staff well and giving them good working conditions. Supply is an issue now and employers fear that it will continue to be an issue in the future. They want to employ qualified staff, pay them well and give them professional development but they fear that there will be shortages caused by the financial constraints of student loans and early childhood education employers will not be able to compete with other education sectors (see Appendix 3). Seven out of ten childcare centre managers expressed concern about their ability to pay teachers with a Diploma of Teaching (see Appendix 11). Centre income is limited by what parents can afford to pay in fees or donations and what the Government will pay in bulk funding

It is interesting to note that in early childhood education practitioners readily admit that they need to have more money but they do not wish to admit that they are operating a poor quality service. Interviewees indicated that they were delivering acceptable quality and wished to maintain that quality. Although some people interviewed felt that the proportion of money put in by the State had decreased they did not say that quality had been falling. Teachers, managers, volunteers and owners felt that they kept up standards irrespective of Government funding, through their own commitment and dedication. Practitioners are in the invidious position of having to admit to providing poor quality education to children before they can lobby convincingly for better funding.

Parents interviewed for this thesis were fulsome in their praise of the centres they were involved with. The service may indeed have been excellent or this finding may confirm those of Anne Smith et al in "Working in Infant Childcare Centres":

Since parents seem to be on the whole extremely satisfied with the quality of their child's care, regardless of its actual quality, it is futile to expect parental choice to act as a mechanism to control quality (Smith A., 1995 page 65).

There is some indication that environments have been improved in a number of centres as money has been invested in buildings and equipment. There are many factors which

affect quality, but New Zealand research does show that there is a correlation between some structural variables and some process variables.

The study supports the view that training is related to quality but perhaps the most striking finding is the strong relationship between better wages and working conditions and measures of quality. The findings were supportive of an ecological view that exosystem factors were extremely important in relation to interaction within the microsystem. Caregivers are better able to provide a more favourable environment for children if their own needs are taken into consideration and they work in a centre which is professionally run (Smith A., 1995 page 39).

Affordability

Kindergartens and Playcentres are the nearest that New Zealand has to free early childhood education services. This may mean that affordable early childhood education for lower income families is becoming less available. The number of children aged under five is still growing in most areas (Newell J., 1997) but the number of kindergartens and Playcentres are not. Most kindergartens still waiting lists which indicates that there is demand for kindergarten places. Many parents choose other services only until they are offered a place in kindergarten (Lythe C, 1997). With the reduction of the kindergarten proportion of the early childhood market there may be an increase in the more expensive places while the “free” decreased.

Some childcare centres may be community-based services and some sessional centres are virtually free to low income families as their fees are set at or below the maximum childcare subsidy rate of \$69.60 per week. However the majority will be services who aim to operate by charging fees of between \$100.00 and \$180.00 for a full week’s education and care. Home-based care costs \$138.00 for a full week with Barnados who are the largest provider in New Zealand of this type of service.

There is no evidence in this study to suppose that the increase in bulk funding has made services more affordable. The current Government’s contention is that in a free market people buy what they want, but does this apply to those who cannot afford to buy anything? In the ECD October Paanui to Early Childhood, Tau Henare, the new Associate Minister of Education responsible for early childhood education, says “Let’s give people choice.” (Henare T., 1998) but people may find their choices limited by their ability to pay if there is a reduction of free services.

Access

There are more places available in childcare centres both in-centre and in home-based care. There are less places available in kindergarten and Playcentres. If the trend of

previous years continues, Te Kohanga Reo and Pacific Island Language Groups will have decreased numbers in the 1997/8 statistics. It was felt by interviewees that access may be improved in the long term by ensuring that owners and associations feel that it is worthwhile investing in centres. However the quantitative evidence does not back up this view in relation to kindergarten.

The areas of affordability and access are interrelated. More places can be made available but if the people who are most in need cannot afford the fees then the places are inaccessible to them. Conversely, prices can be reduced to make places affordable but if there are more children than spaces in an area of need then early childhood education is not accessible.

The cost, to parents of childcare is rising but their ability to pay is not. Statistics New Zealand indicate that the September quarter 1998 shows the lowest increase in wages since 1995 (Statistics New Zealand, 1998). The investment of a 5% increase in bulk funding in 1997 has not improved access or affordability.

3. Contribution to current research and debate on social policy implementation

The notion of the importance of language in policy text has been highlighted in this research. The feature of the policy text which has been most noticeable is the lack of clear direct communication with stakeholders. The Government had aims and goals in mind when the decision was made to increase bulk funding but it did not communicate these to the people it expected to implement the policy.

Government documents made a particular point of parental choice and parents being involved in management and decision making in early childhood education centres. Yet parents are the group who of stakeholders who are most unaware of the policy affecting them. Apart from media statements about the budget no attempt was made to inform parents that this money was meant to improve quality, affordability and access.

The policy text uses words such as “market”, “freedom”, “choice” and “responsibility”. The neo-liberal discourse of the policy text shows how language is used to change institutional practices (Codd J., 1995) page 114. Jenny Shipley refers to “the policy direction taken by successive governments” and describes how State Service Act will allow kindergartens to “improve service to the local community” (Shipley. J., 1997). The

market forces, public choice philosophy is particularly strong in early childhood education where the Government is clear that it is providing a grant in aid only.

4. Application of the concepts of social policy analysis to the field of early childhood education

The analysis of social policy and the theories underpinning them are of great significance in early childhood education. If people accept the idealist conception of policy design (Codd J., 1995 page 103), they would research an intentions based policy. Early childhood educators and parents should realise that the philosophies of state agents and politicians and economic policy play a significant role. Early childhood education is non compulsory and as such is one part of education which it is relatively easy for Governments to economise on if this seems fiscally expedient.

In the recent policy documents it is evident that human capital theory is behind the commitment to invest. Manifestos identify that a sound start in education contributes to a successful education and success in life (which includes not being a burden to the state). The other major theoretic debate is around whether early childhood education is primarily a private or a public good.

For early childhood education to continue to be supported financially by the state stakeholders need to make themselves aware of the social policy context.

5. Raised awareness among stakeholders of the decision-making process in relation to the use of state funding

This research became a two way process as it obviously caused some thought to the people who have been directly involved in the interviews. Several were surprised at the high level of their knowledge. Discussion which has arisen among groups of colleagues has identified that parents and teachers generally have a high level of anxiety and think that they have a low level of knowledge. When stakeholders are aware of the policy process and the validity of their position they seem to be empowered to make decisions at a centre level, then at a community level and, hopefully, at a national level. Raising awareness of education policy process seems essential to having teachers and parents as equal partners with other stakeholders.

Political awareness among some stakeholder groups is diminishing. Teachers, in childcare centres particularly, have few opportunities to meet or to be informed. There are few regional or national organisations which pass on information to teachers. Union

membership in childcare centres is decreasing as the number of centres belonging to National Awards is declining (Consenting Parties) (Linda Mitchell).

There are other opportunities for collegial discourse among teachers. Professional Development Courses are one opportunity for teachers to meet but they are not available to all centres and they tend not to have a focus of raising political awareness. As the Professional Development Contracts are contestable and have to submit rigorous milestone reports it seems unlikely that a National Minister of Education would applaud the running of courses on lobbying Government for increased bulk funding.

Teachers and parents are not the groups who have most say in implementing policy. Managers and owners make budget decisions. It is debatable whether many of these individuals belong to organisations who are engaged in dialogue on policy planning.

Chapter 9 Implications for Public Funding Expenditure on ECE and Further Research

Introduction

In this concluding chapter I discuss the education policy implications of the study and put forward some suggestions as to how Government and stakeholders could achieve results. I suggest further research which might help to inform policy.

The Government obviously concluded in the 1998 budget that the 5% investment in 1997 would not on its own improve quality, affordability and access sufficiently. Along with the 2% increase announced in 1998 came the announcement of the Quality Indicators in Early Childhood Services Project. Between the 1997 and the 1998 budget announcements it had obviously been decided that more money alone was not enough to achieve the desired goals.

Implications for funding

Quality

Many people involved in this research believed that tagging funds to proven structural variables such as wages and staff qualifications would improve quality. More stringent measures of accountability would be arduous and possibly unpopular but might be necessary. The only leverage Government has for achieving outputs and outcomes is the provision of funds and the regulation of licences. Blanket provision of increased funds will improve quality but Government has inadequate mechanisms for measuring this. It may not be achieved in all centres. Therefore systems should be developed that measure quality and make all services more accountable.

When there are systems recommended to allow for process variables to be taken into account there should also be mechanisms to ensure that the measurement of processes does not add further pressure of administration to teachers. Programme assessment and evaluation systems should be manageable.

Affordability

The Government cannot improve affordability when it has no idea what services cost. Increased bulk funding has not made early childhood education services more affordable. The only way that bulk funding could be used to achieve this outcome would be to tag funding to the reduction of the proportion of fees that parents pay. This would require that

the Ministry of Education know what fees services were charging. The Ministry of Education collects statistics on all centres at the moment so it would not be an unmanageable task to include fee structures as another category of information.

Affordability issues are of particular concern in relation to low income groups, Pacific Island and Maori. Equity funding and special policy for these groups would ensure that the groups most in need could afford services. Income related subsidy such as Childcare subsidy is not a useful mechanism for ensuring affordability. It bears no relationship to the cost of the service, puts an administration burden on the service and discriminates against parents whose income falls at the cut off point (Wylie C., 1994). Government should continue to support free services.

Access

Access involves ensuring that there is money available to set up the right sort of services in the areas of greatest need. Private childcare centre operators seem to have little problem accessing funds to set up centres but these centres have to be able to make sufficient profit to service a mortgage. They are not likely to be built in areas of high unemployment and poverty. Organisations who wish to build centres in areas of high need but low income should be given greater access to funds for establishment costs. The amount allocated by the Discretionary Grant Scheme is clearly inadequate and should be increased substantially. There could also be some special schemes available for groups who found services difficult to access because of transport problems.

For parents to access services they have to know that the services exist and that there is a benefit to children who attend. This would require a concerted parent information and education campaign which would have to be publicly funded and delivered to families and communities in a contextually and culturally appropriate way.

Implication for Policy Development

One of the clearest findings of this research was that stakeholders had little or no idea of the intention of the policy. This could be that the Government's stated outputs were just rhetoric so they felt no need to communicate them to the community or it could be that communication systems were woefully inadequate. If policy makers had firm ideas about funding, it could be asked why they did not attach conditions to the increased funding as they did with the "Quality Funding" introduced in 1996. Neither the 1996

funding increase nor that introduced in 1997 had any audit requirement to ensure that the money went to improve outcomes for children.

It has to be recognised that the diversity of early childhood education in New Zealand makes it an arena for conflict. Although there **have** been attempts at dialogue (Ministry of Education, 1994) and there **are** efforts to continue including stakeholder groups in communication (Ministry of Education Advisory Groups) the decisions made through these mechanisms are not consistently used in policy. Time after time research projects and advisory groups make the same recommendations.

Work needs to be done on defining stakeholder groups, establishing systems for dialogue and fully including these groups in the policy change process. Early childhood education would benefit from a long term policy plan which was flexible enough to allow for change in economic, social and political conditions but consistent enough to allow all stakeholders to plan for survival and incremental improvement.

Implications for further research

This research seems to have raised as many questions as it has answered. One interviewee suggested that it would be interesting to know if the Quality Funding (rate 2) reflected any improvements in quality of outcomes for children in the centres who had received it. That would be a valid, if controversial project. Another expressed curiosity at the ongoing conflict between different providers and between stakeholder groups. Individuals and organisations share differing perspectives, values and aims but open negotiation and public dialectic discourse would be useful to the early childhood education policy process. Research into the historical, political and ideological power relationships of early childhood contests would be worthwhile.

Planning for provision of early childhood education services is important and the government does support research which investigates the potential need for early childhood education. There seems little point in working out areas of need if there is no provision to meet those needs. The Government has commissioned many works by NZCER, Universities, ECD and other organisations. Policy based on this research not political whim or expedience would be useful.

The partnership involving management, teaching staff and parents is not working consistently in all early childhood services. Of these groups, management tends to be best informed. The level of knowledge among teachers is variable. There are virtually no

efforts made to seek the views of current parent users of services. Using market principles to regulate quality does not seem to be effective. Research into parents as stakeholders would be useful.

Some research could be undertaken at a centre or provider level. As low staff turnover is a component of quality, organisations could research why teachers were leaving their employment. There could be a simple mechanism to organise an “exit interview” and document whether teachers were leaving positions for a different profession or a different teaching position. It would appear difficult to work on improving staff retention without knowing why losses were occurring.

At a provider level, research could be undertaken by services whose enrolment numbers are dropping. Changes in social, political and economic conditions are occurring and providers could investigate whether their service and philosophy were still meeting the needs of children, families and communities.

Individual stakeholders should ensure that their voice can be heard. The people who are represented at a local and national level tend to belong to umbrella organisations. Membership costs individual’s time and money but if stakeholders wish to be informed and to engage in the dynamic process of dialogue and policy change they should be part of a stakeholder group.

Appendices

Appendix 1 Government Funding Per Hour Since 1990

Table 13: Funding rates for early childhood education in 1997.

Date	Kindergarten	Other ECE Centres Over twos	Other ECE Centres Under twos
1991	2.875	2.25	7.25
1992	2.875	2.25	4.50
1996 Basic	2.97	2.25	4.50
1996 Quality	n/a	2.50	5.00
Jan 1997 Basic	3.09	2.31	4.61
Jan 1997 Quality	n/a	2.57	5.12
July 1997 Basic	3.24	2.43	4.84
July 1997 Quality	n/a	2.70	5.38
July 1998 Basic	3.30	2.48	4.94
July 1998 Quality	n/a	2.75	5.49

Basic Bulk Funding Over 2s 2.43
 (\$ per child per hour) Under 2s 4.84

Quality Bulk Funding Over 2s 2.70
 Under 2s 5.38

Funding for kindergartens 3.24

Adult:child Ratios for early childhood education in 1997

Minimum staffing ratios: Over 2 1 to 10
 One person with 100 points Under 2 1 to 5
 Sessional 1 to 15

Quality Funding staffing ratios Over 2 1 to 9
 One person with Dip Teaching ECE Under 2 1 to 4
 Sessional 1 to 13

Two people with Dip Teaching ECE Over 2 1 to 10
 Under 2 1 to 5
 Sessional 1 to 15

Changes in the Policy Process Between 1987 and 1997

1987-91

From 1987 most education matters went to the Social Equity Committee sponsored by David Lange (P.M. and Minister of Education). Many education policies originated from external review groups. Thus the Meade Report brought about changes announced in the "Before Five" document.

1991-3

Lockwood Smith as Minister of Education chaired the Cabinet Committee on Education, Science and Technology. During 1991-2 several chief executives became concerned that human capital was of some importance and the Official's Committee on Human Resource Development was established. It involved officials from Education, Labour, Treasury, DSW, SSC and was chaired by DPMC. It ran until the end of 1993. The existence of this committee gave the impression that Education policy was too important to be left just to the Ministry of education.

1994

The Committee on Education Training and Employment was formed, chaired by the P.M. and including Education, Labour, DSW, SSC, Finance and Maori Affairs.

A new standing committee of officials was formed to support the work of the Cabinet committee. It was the Officials Committee on Education Training and Employment (OCETE) chaired by DPMC and including Education, Labour, Treasury, DSW, SSC and later Te Puni Kokiri. It screened all papers coming forward on education meaning that the officials involved with this committee had an overview of policy work across departments.

1996

OCETE became the Officials Committee on Education and Employment Policy (OCEEP)

Outside Influences

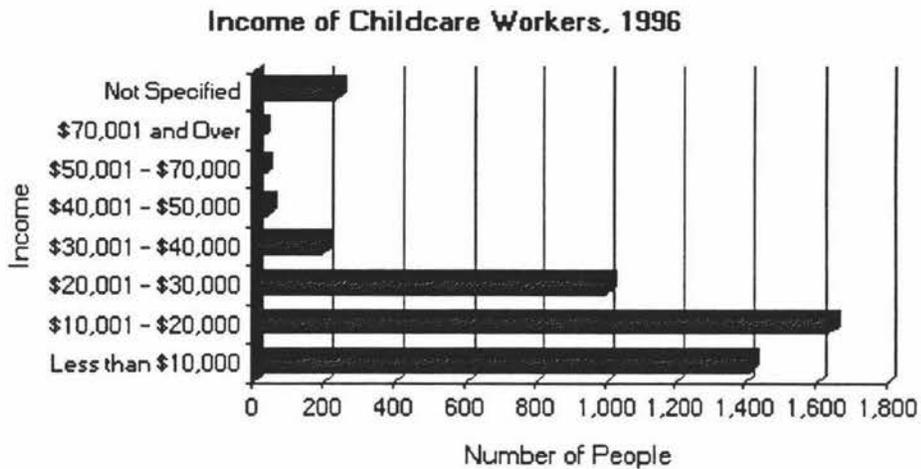
Government tends to avoid going against public opinion. The views of people working in different departments do influence education policy (DSW, Labour etc) Academic research and opinion has little impact on government policy. Over the past ten years education policy has moved from originating from the Minister of Education and his department (largely staffed by educators) to being influenced by many different departments. People outside government departments have very little influence.

Appendix 3 Comparison of Salaries Across Teaching Sectors in New Zealand

Childcare workers

Childcare workers usually earn between \$14,890 and \$24,920 per year if untrained, and between \$19,030 and \$30,530 per year when trained. Rates of pay and conditions vary from centre to centre.

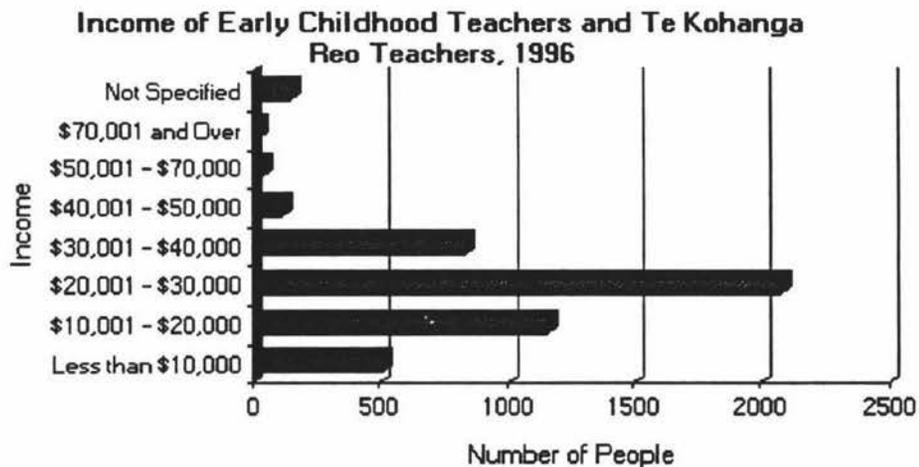
Figure 14: Income of childcare workers, 1996



Early childhood teachers

Salary varies, but trained early childhood teachers usually earn between about \$25,000 and \$35,000 per year.

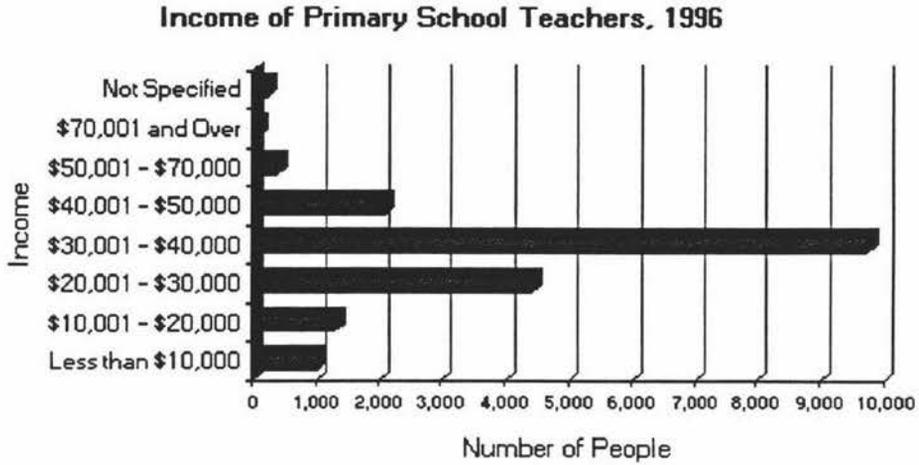
Figure 15: Income of Early Childhood Teachers and Te Kohanga Reo Teachers, 1996



Primary teachers

Salary varies, but primary school teachers usually earn between about \$24,000 and \$47,000 per year. Senior teachers receive an additional allowance.

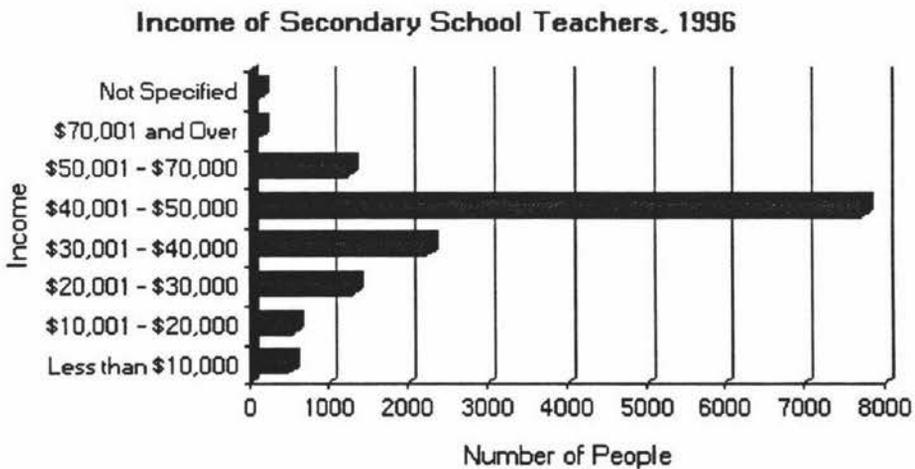
Figure 16: Income of Primary school teachers, 1996



Secondary teachers

Salary varies, but usually secondary school teachers earn between about \$22,000 and \$52,000 per year.

Figure 17: Income of Secondary school teachers, 1996



Source: <http://www.careers.co.nz> from Statistics New Zealand data.

Appendix 4 Early Childhood Education Statistics

Early childhood education enrolment statistics (1990-1997) (Ministry of Education, 1997)

Table 14: Children on the rolls at early childhood services at 1 July 1997.

Type of Service	Enrolled children at 1 July								Average annual change (%) 1990-97	change (%) 1996-1997
	1990	1991	1992	1993	1994	1995	1996	1997		
Kindergartens	43792	44363	45603	46030	46604	47208	46960	46756	0.9%	-0.4
Playcentres	22668	21578	20601	21540	19979	19108	17596	17058	-4.0%	-3.1
Childcare - Regular	29786	33127	38734	45158	49687	53769	57582	61597	10.9%	7.0
Childcare - Homebased	1611	2364	3470	4907	5414	6114	6558	7615	24.8%	16.1
Te Kohanga Reo*	10108	10451	12617	14514	13543	14263	14302	13505	4.2%	-5.6
Pre-School Classes at:										
- Correspondence School	861	793	812	783	802	901	993	914	0.9%	-8.0
- State Primary	781	582	566	..	..	..	..	..	..	..
- Private Schools	466	271	..	..	..	..	..	..	..	..
ECDU - funded										
- Playgroups**	5565	7331	9647	11430	13353	14330	12564	13115	13.0%	4.4
- Pacific Islands Language Groups	2729	3274	3682	3877	3982	3709	3736	3365	3.0%	-9.9
Total services	118367	126134	135732	148239	153364	159402	160291	163925	4.8%	2.3

.. Not applicable * Includes developing Te Kohanga Reo ** Includes unlicensed Playcentres

Table 15: Change in early childhood enrolment (1990-1997).

Type of Service	No. Centres	Children	% Children by Service Type	Included in total							
				Maori		Pacific Islands		Asian		European/Pakeha	
				No.	%	No.	%	No.	%	No.	%
<i>Licensed ECE* services</i>											
Kindergartens	595	46756	28.5	6616	21.5	3060	31.3	2749	41.5	33684	29.4
Playcentres	545	17058	10.4	1633	5.3	314	3.2	367	5.5	14526	12.7
Childcare - Regular	1248	61597	37.6	6854	22.3	2656	27.2	2913	44.0	48452	42.3
Childcare - Homebased	130	7615	4.6	837	2.7	143	1.5	89	1.3	6252	5.5
Childcare - Casual (no regular roll)	40	..	..	..	..	..	..	..	..	..	..
Correspondence School	1	914	0.6	133	0.4	2	0.0	3	0.0	766	0.7
Kohanga Reo**	675	13104	8.0	12955	42.2	37	0.4	..	..	112	0.1
<i>Developing ECE services</i>											
<i>ECDU* funded:</i>											
- Playgroups	486	12770	7.8	1186	3.9	288	2.9	476	7.2	10569	9.2
- Pacific Islands language groups	150	3365	2.1	23	0.1	3268	33.4	23	0.3	23	0.0
- Unlicensed Playcentres	19	345	0.2	68	0.2	12	0.1	5	0.1	253	0.2
Developing Kohanga Reo**	30	401	0.2	398	1.3	1	0.0	..	..	2	0.0
Total	3919	163925	100.0	30703	100.0	9781	100.0	6625	100.0	114639	100.0

.. Not applicable .. Not available ** Asian children included in European/Pakeha * Early Childhood Education ** Early Childhood Development Unit

Table 16: Change in the number of early childhood services 1990 – 1997.

Type of Service	Number of services at 1 July								% change 1990-1997
	1990	1991	1992	1993	1994	1995	1996	1997	
Kindergartens	575	578	582	582	587	591	594	595	3.5
Playcentres	621	606	578	577	572	562	557	545	-12.2
Childcare - Regular	662	741	852	943	1017	1093	1174	1248	88.5
Childcare - Homebased	40	53	72	88	100	112	118	130	225.0
Te Kohanga Reo*	616	630	719	809	819	774	767	705	14.4
Pre-School Classes at:									
- Correspondence School	1	1	1	1	1	1	1	1	0.0
- State Primary	35	29	28	..	..	..	..	..	..
- Private Schools	22	19	..	..	..	..	..	..	..
Childcare - Casual	..	..	..	27	32	36	39	40	..
ECDU funded									
- Playgroups**	192	266	334	447	441	482	496	505	163.0
- Pacific Islands Language Groups	126	160	170	177	183	173	178	150	19.0
Total services	2890	3083	3336	3651	3752	3824	3924	3919	35.6

.. Not applicable

* Includes developing Te Kohanga Reo

** Includes unlicensed Playcentres

Table 17: Number of enrolments by type of centre.

Type of Service	Number of Centres	Number of enrolments
Kindergarten	596	46307
Playcentre	537	16787
Childcare Regular	1332	65205
Childcare Home based	150	8300

Figures as at 1 July 1998.

Figures from Ministry of Education Data Management and Analysis Unit.

Complete data will not be available until Te Kohanga Reo figures are available.

Appendix 5 Information to Participants, Consent form, Interview Schedule

Information to participants

Is the government getting its money's worth? An analysis of social policy in early childhood education, its aims and its implementation.

Thank you for agreeing to see me to discuss bulk funding in early childhood education.

This information sheet gives further detail on the aims of the research and should give an opportunity to focus on the issues before we meet.

WHAT IS INVOLVED IN THIS RESEARCH?

As you are aware early childhood education centres were given a 5% increase in bulk funding in the 1997 budget. The government does not increase state spending lightly and will have done some analysis of the likely outcomes of this investment. This research aims to clarify the reasoning behind this increase and to investigate what became of the money in 1997.

The questions for this research are:

- What did the government intend to achieve by increased State investment in Early Childhood Education and Care?
- How is the success of this investment to be judged?
- Who makes the decisions on spending of government funding in Centres?
- Does their understanding on the use this money coincide with that of the policy makers?
- How was the increase in bulk funding spent?
- What difference might this make for children and their families?

There are a variety of ways of finding answers to these questions. Much of this research can be done by analysing documents such as government papers, audited accounts and management committee minutes. I have studied government papers and found the information to be very useful.

There were clear indications that the government expected certain results from the 5% increase in funding. These were:

- higher quality
- affordable early childhood education services (which were not too expensive for parents).
- greater access.

However the government made it clear that early childhood education providers were free to use this funding in the way that they think would best meet the needs of children.

The documents do not give the whole picture and in our interview I hope to record your views on the bulk funding increase and how you feel about the policy making process which led to the allocation of the money. This interview should take about an hour of your

time. It would be helpful if I could audiotape the interview but it is not essential. I will process the information that you give me and will give you a draft copy for you to correct. You may withdraw from the research at any time.

Other participants to be invited may include Ministry of Education policy advisors; politicians including the Associate Minister for Education with responsibility for ECE in 1996/7; NZEI Te Riu Roa; Management of Auckland Kindergarten Association; Members of the Council of Auckland Kindergarten; Association, Kindergarten Teachers and parents of children involved in specified kindergartens.

WHAT ARE THE BENEFITS OF BEING INVOLVED?

Early childhood education in New Zealand has not focused highly in the field of social policy research. Any research that raises the profile of early childhood education in the minds of practitioners, politicians and the general public is to the advantage of early childhood education and the children who benefit from it.

PROCEDURES FOR MAINTAINING CONFIDENTIAL AND ANONYMITY.

In most research efforts are made to preserve the anonymity of the participants. Given your position I do not believe that anonymity would be possible in this research. Therefore any comments that you made would have to be acknowledged. This being the case I would have to have the permission of your organisation and give them draft copies of the research for approval. You could be named as a representative of your organisation without being personally identified.

Recordings and documents will be kept confidential to me and will be stored securely in my home. The findings will not be discussed with people other than my research supervisors. Once the research is complete and marked the data will be destroyed and the tapes wiped.

Any information given will be confidential to the research and any publications resulting from it and not used for any other purpose.

Please remember that as a participant you have the right to ask any questions about the study at any time during the research. You can do this by approaching either my supervisors or me.

Participants have the right to:

- Decline to participate.
- Refuse to answer any particular question.
- Withdraw from the study at any time.
- Ask any questions about the study at any time during participation.
- Provide information on the understanding that their name will not be used unless they give permission to the researcher
- Be given access to a summary of the findings of the study when it is concluded

Thank you for taking the time to read this.

Meg Moss

Is the government getting its money's worth? An analysis of social policy in early childhood education, its aims and its implementation.

CONSENT FORM

I have read the information sheet and have had the details of the study explained to me. My questions have been answered to my satisfaction, and I understand that I may ask further questions at any time.

I understand that I have the right to withdraw from the study at any time and to decline to answer any particular questions.

I agree to provide information to the researcher on the understanding that my name will not be used in the research report without my permission.

I understand that the information I give will be used only for this research and publications arising from the study.

I agree/do not agree to the interview being taped.

I understand that I have the right to ask the researcher to turn off the tape recorder at any time during the interview.

I agree to participate in this study under the conditions set out on the information sheet.

Signed.....

Name.....

Date.....

Interview schedule

This is not a questionnaire. You are not expected to answer or have views on all of these questions. This is merely an indication of the scope of the interview.

Statement:

The government increased bulk funding to all licenced early childhood education centres in July 1997

Government documents indicate that they expected certain results from the 5% increase in funding. These were:

- *higher quality*
- *affordable early childhood education services (which were not too expensive for parents).*
- *greater access.*

Early childhood education providers were free to use this funding in the way that they think would best meet the needs of children.

Questions

1 Did you expect any increase in bulk funding at that time?

How much?

5%

More

Less

2 What did you think was the purpose of the increase in bulk funding?

Acknowledged

Unacknowledged

3 What do you think early childhood education centres were expected to do with this increase in bulk funding?

4 Who do you think makes the decisions on spending of government funding in Centres?

4.1 Management

4.2 owners

4.3 staff

4.4 parents

5 What do you think that the 5% should have been spent on?

5.1 Wages

Paying staff more

Paying for more staff

5.2 Play Equipment

5.3 Improving Buildings

5.4 Staff development

5.5 Lowering costs to parents

5.6 Reducing adult/child ratios

Having less children

Having more staff

5.8 Improving staff qualification

5.9 Improve non-contact time

5.10 What else?

6 In your opinion or experience has this money brought about

Improve quality of services

made a service more affordable

Allowed children greater access.

Released the stress of meeting existing budget

7 In what way could increased funding be introduced which did:

Improve quality

Make a service more affordable

Allowed children greater access.

What would you expect to see as being the tangible results of this investment?

Appendix 6 Glossary of Terms

Table 18: Glossary of terms.

Term	Explanation
45/45	A term used to describe kindergarten which have 45 children enrolled in the morning sessions and a different 45 enrolled in the afternoon sessions.
BoT (Board of Trustees)	A locally elected board that governs each state and state integrated school. The Board establishes a charter, which sets out the aims and objectives of the school.
Bulk funding (or Bulk grants)	Bulk funding is a means of providing government funding directly to individual institutions. For chartered early childhood services the amount received is calculated per child per sessional hour. The grant provides assistance towards both staff salaries and operating expenses.
CECUA	Combined Early Childhood Union of Aotearoa 1990-94. Joined with NZEI in 1994.
Childcare Centres	Provide either sessional, all day, or flexible hour programmes for children from birth to school age. They may be privately owned, non-profit making, or operated as an adjunct to the main purpose of a business or organisation.
Decile rating	Schools are allocated a rating on the scale 1 to 10 based on the socio/economic status of the area surrounding the school. Decile 1 is the lowest and Decile 10 the highest.
DoPs	Statement of Desirable Objectives and Practices
ECC	Early Childhood Council
ECD (ECDU)	Early Childhood Development was previously known as the Early Childhood Development Unit, ECDU.
ECWU	Early Childhood Worker's Union 1982-90. Joined with KTA to become CECUA.
Education Review Office (ERO)	Government department responsible for reviewing and reporting regularly on the performance of NZ schools and early childhood centres.
Ethnicity	The ethnic group or groups to which a child belongs. Ethnicity of children at the early childhood education level is normally identified by a parent or guardian.
Inputs	Investment of cash by the Crown for either operating or capital transactions.

Table 18: Glossary of terms.

Iron triangle	The three factors reputedly affecting quality in early childhood education: adult/child ratios, group size and teacher education/training.
Kindergarten	An early childhood institution which provides sessional programmes for mainly three- and four-year-old children.
KTA	Kindergarten Teachers Association 1954-90. Joined with ECWU to become CECUA.
MoE	Ministry of Education
Non-contact time	Time spent in early childhood education centres on tasks which do not involve direct contact with children. In kindergarten this is usually two afternoons each week.
NZCA/TTPOoA	New Zealand Childcare Association/ Te Tari Tuna Ora o Aotearoa
NZCER	New Zealand Council for Educational Research
NZEI	New Zealand Educational Institute. CECUA joined with NZEI in 1994.
Outcomes	Outcomes are the impacts on, or consequences for, the community of outputs or activities of the Government.
Outputs	Outputs are goods or services purchased by the Crown from departments and other entities. Outputs may be of a variety of types, including policy advice, administration of contracts and grants or the provision of educational services.
PAFT	Parents as First Teachers
Playcentre	An early childhood institution that is collectively supervised and managed by parents for children aged between 0 and 5 years.
Process variables	Process variables were defined in Dr Anne Meade's discussion paper "Early Childhood Qualifications and Regulations Project" (Meade A., 1998) as one of the categories of variables which can affect quality in early childhood education centres. Process variables focus on teacher practice. Teachers should demonstrate responsiveness, respectfulness and reciprocity. Adult interactions show that teachers encourage and extend exploration and encourage elaborate discussions and conversations. See also "Structural variables".

Table 18: Glossary of terms.

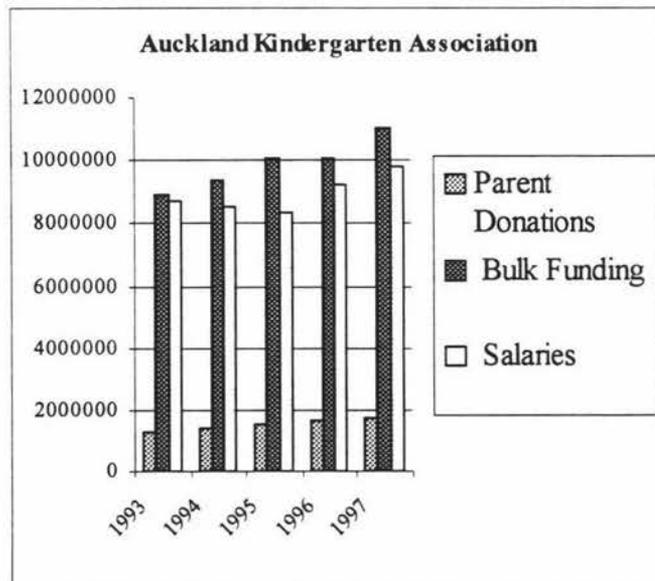
Structural variables	Structural variables were defined in Dr Anne Meade's discussion paper "Early Childhood Qualifications and Regulations Project" (Meade A., 1998) as one of the categories of variables which can affect quality in early childhood education centres. They include: child-centred planned educational programmes, high staff/child ratios, trained staff, ongoing in-service training and support, stability in staff and children, small group sizes, active democratic parental participation and language maintenance and cultural revival. See also "Process variables".
Te Kohanga Reo	An early childhood institution administered by the Te Kohanga Reo Trust. The programmes are based on the total immersion of children from birth to school age in Maori language, culture, and values.
TRB	Teacher Registration Board
Vote Education	The appropriation which is the responsibility of the Minister of Education and is administered by the Ministry of Education.

Appendix 7 Auckland Kindergarten Association Accounts Analysis

Auckland Kindergarten Association Financial Performance

Operating Revenue	1997	1996	1995	1994	1993
Bulk Funding	11,016,231	10,089,282	10,069,294	9,372,761	8,913,236
Interest Received	333,003	445,349	313,538	136,834	141,784
Other Income	161,251	528,785	73,102	123,376	24,768
Total Income	11,512,482	11,065,412	10,457,929	9,634,965	9,081,781
Operating Expenses	1997	1996	1995	1994	1993
Staff expenses	10,112,586	9,519,697	8,317,595	8,566,017	8,748,559
Professional and consultancy fees	84,737	87,956			
Management Administration	34,681	35,614			
Property	357,878	741,668			
Operating Expenses	139,449	101,072			
Marketing and Public Relations	50,532	42,694			
Total Expenditure	10,779,863	10,528,701	10,389,608	8,985,129	9,256,909
Operating Surplus	730,622	534,715			
Net Surplus		506,751	46,286	651,336	-177,121
Significant expenditure	1997	1996	1995	1994	1993
Salaries	9,833,850	9,229,605	8,317,595	8,566,017	8,748,559
Repairs & Maintenance	224,944	559,466	1,457,538	24,938	86,547
Training & Development	52,782	72,349	13,796	1,605	4,546
Changes in income and expenditure 1993 to 1997	1997	1996	1995	1994	1993
Increase in bulk funding	926,949	19,989	696,533	459,525	
Increase in Salaries	604,245	912,010	-248,422	-182,542	
Increase in Repairs & Maintenance	-334,522	-898,072	1,432,600	-61,609	
Increase in Training & Development	-19,567	58,553	12,191	-2,941	
Increase in surplus	195,907	460,465	-605,050	828,457	-177,121

Deferred maintenance account disestablished in 1997. 1,187,709 having been spent on deferred maintenance in 1997



Appendix 8 Independent Centre Accounts Analysis

Early Childhood Education Centre 1 Accounts

Revenue	1999 Budget	1998 Budget	1997	1997 Budget
Bulk Funding	157600	143626	127880	109970
Fees	201760	174720	168350	148978
Interest	500	500	500	250
Less GST and absences	-60631	-43137		
Total	299229	275709	296730	259198

The surplus in 1997 was a result of increasing the number of children, increased government funding and holding wages. The centre has reached its maximum number, government funding is not likely to increase but wages continue to rise as the demand for qualified teachers continues.

1997 5% Increase in bulk funding equals 5498

1998 2% Increase in bulk funding equals 2872

Conclusions about the use of the increase in bulk funding can be made from comparing the 1997 actual and budget.

It was decided to spend the increased bulk funding on increased wages and equipment.

Appendix 9 Annual Salaries Across the Education Sector

Table 19: Annual salaries across the education sector.

Contract	Previous contract 96/7 Start of Scale	Previous contract 96/7 Top of Scale	Current contract 97/8 Start of Scale	Current contract 97/8 Top of Scale
NZFKA TeacherP1	22460	30301	22593	30479
TeacherP3	25486	33513	25636	33709
Head Teacher P1	32061	32528	35601	35815
Head Teacher P3	35301	38545	35815	39106
AKA Teacher P1	23000	29960	23575	30709
Teacher P3	26700	34212	27368	35067
Head Teacher P1	33721	36766	34564	37685
Head Teacher P3	36766	40458	37685	41469
Consenting Parties Teacher (Dip Tch)	20923	27319	21742	28411
Consenting Parties Supervisor	26793	33169	27865	34515
Individual EC Teacher (Dip Tch)		25691		29293
Individual EC Supervisor (Dip Tch)		36400		38589

Note

Wages have improved marginally with an average gross increase of \$10.00 a week in kindergartens since the 1997 budget. The P1 scale does not compare favourably with the national average even for women.

Appendix 10 Auckland Kindergarten Association Council Minutes

24th June 1997

No comment on financial situation.

31st July 1997

No comment on financial situation.

General Business

It was moved that Auckland Kindergarten Association Council meetings be held on the last Tuesday of each month beginning at 12.30 pm and remain in session no longer than 2.30.

26th August 1997

Matters Arising

Cait McLennan-Whyte voiced her opposition to Council meetings being held at lunchtime as she felt it was exclusive to those who could attend but recognised that this had come about democratically.

Finance

The Association is \$170,000 better off with a surplus of up to \$200,000 this year due to increase in funding announced in the budget funding increase effective 1st July 1997.

Contract Negotiation

Teacher Contract Negotiations were to be lead by the Auckland Kindergarten Association Council in 1997 as the General Manager was too new to the job.

General Business

The general manager asked for a definition of the Board's role - representative board or governing body?

Appendix 11 Changes in Childcare Centre Fees 1997/8

Key:

- PP Privately owned centres are coded PP (private providers) as this is how the Ministry of Education categorises them.
- NFP Community-based centres are not-for-profit (NFP).
- * employer has no concerns about retaining Diploma'd staff.
- √ employer has concerns about retaining Diploma'd staff.

Table 20: Childcare centre fees.

Centre	Full week's fees for over twos	Full week's fees for under twos	Any change in fees since July 1997	Decile rating of nearest primary school	Concerns about trained staff retention
PP 1	160.00	180.00	New centre	9	√
PP 2	150.00	165.00	No change	10	√
PP 3	125.00	140.00	Up in July 98	8	*
PP 4	120.00	135.00	No change	5	*
PP 5	120.00	140.00	Up in Sept. 98	2	√
NFP 1	100.00	120.00	No Change	1	*
NFP 2	130.00	150.00	Up in Oct. 98	2	√
NFP 3	135.00	160.00	Up in Oct. 98	9	√
NFP 4	125.00	150.00	May go up in Dec 98	8	√
NFP 5	126.00	146.00	Up in Nov. 98	6	√

Appendix 12 Interviewee Code Numbers

Table 21: Interviewee code numbers

Interviewee Number used in research findings (Chapter 7)	Designation	Decile rating of centre
1	NZEI: Linda Mitchell	-
2	NZCER: Dr Anne Meade	-
3	Manager AKA: Stephen Alexander	-
4	Manager/owner Childcare centre	-
5	Politician: Helen Clark	-
6	Politician: Brian Donnelly	-
7	Governor AKA: Ron Crawford	-
8	K1	1
9	K2	1
10	K3	6
11	K4	6
12	K5	6
13	K6	7
14	K7	7
15	K8	1
16	K9	10
17	K10	10
18	P1	1
19	P2	1
20	P3	7
21	P4	7
22	P5	7

Appendix 13 Media Releases

19th April

Associate Minister Brian Donnelly announced at the Early Childhood Council annual conference in Auckland that there would be an increase in funding to the early childhood education in the 1997 Budget (Early Childhood Council, 1997).

29th April

The Government is moving to put kindergartens on the same industrial footing as all other early childhood education providers. A legislative amendment was made to remove kindergartens from the State Sector Act.

The release reiterated the goals of the “Before Five” report that is providing *quality, affordable self-managing early childhood education which would be accessible to all*. (researcher’s emphasis)

30th April

State Sector Act Removes Anomaly in Early Childhood Sector

Parliament passed legislation today removing kindergarten associations from the State Sector Act.

This meant that the State Services Commission would no longer be responsible for negotiating kindergarten teacher’s collective employment contract. Brian Donnelly said that this put kindergartens in the same position as the rest of early childhood education services. He dismissed fears that the government was trying to weaken the position of the Free Kindergarten saying that this move would allow Associations to respond directly to the needs of their local communities.

The government wants to drive up the *quality* of the whole sector, not just a part that is represented by a strong union.

(researcher’s emphasis)

1st May

The government’s funding for early childhood education supports quality across the whole sector.

Brian Donnelly said that providing *good quality* services was a priority. He also said:

Funding is clearly linked to the *quality* of the service provided. One of the factors required in order to achieve *quality* in early childhood education is *stability of staffing*. This comes from a combination of *qualifications, pay and conditions*. The government wants to drive up the *quality* of the whole sector.

(researcher's emphasis)

9th June

On the 9th June Associate Education Minister Brian Donnelly and Education Minister Wyatt Creech announced that the government would increase early childhood education subsidies for licensed and chartered services by 5% from 1st July 1997. The reasons given were:

This boost in funding will help ensure that children have continued *access* to early childhood education, as well as making it *affordable for their parents*.

The statement added that:

Early childhood education services are free to use this extra to funding in any way they think will best meet the needs of children.

It also made comment on the relationship between the Government's move to take kindergartens out of the state sector act. There was a denial of any relationship.

The removal of kindergarten from the State Sector Act has no effect on the level of funding they receive (Donnelly, 1997).

26th June

After the budget, Hon Wyatt Creech, the present Minister of Education was quite clear about what he thought the money should be spent on. He stated in a post-budget speech on the 26th of June 1997 that he expected the bulk funding increase to be spent on wages.

\$37 million goes into a 5 percent increase in the funding subsidy for licensed and chartered early childhood services - which should see an increase in pay for kindergarten and other early childhood teachers. There's \$10 million for professional development and training in this area, and \$4.7 million to increase the subsidy for children at Playcentres.

Appendix 14 Policy Advice Documents

24th April

State Sector Amendment Policy Issues

This paper provides information and comment on issues associated with the removal of kindergarten from the State Sector Act. It also presents information to the Minister of Education to assist him in making a decision about the announcement of early childhood education funding.

Kindergarten associations would be concerned about entering employment contract negotiations without having firm information about the level of income from government. The paper examined these options for the release of information. It cautioned the Minister that releasing the information to kindergartens only would give rise to the suspicion that kindergartens were being given an unfair funding advantage. Any public announcement at this time would be lost in discussion around the change to the State Sector Act (Renwick, 1997).

28th April

At the meeting on 28th April 1997 Cabinet

- noted that on 14th April Cabinet agreed to amend the State Sector Act
- agreed that Kindergarten Associations to be informed before the release of the 1997 Budget that there would be an increase in hourly subsidy rates
- agreed to a 5% increase in hourly subsidy rate for all early childhood education providers
- authorised the Minister of Education to decide on the timing of the announcement of the decision to increase funding (Cabinet Office, 1997).

30th April

Early Childhood Education Budget Initiatives

This paper presented information to the Minister of Education seeking his agreement to the early childhood initiatives that would be included in the 1997 Budget bid. It stated that the policy objectives and the means by which they would be achieved were:

- Improving access and affordability of early childhood services by providing a 5% across-the-board increase in government subsidy.

- Improving the quality of early childhood education provision through the provision of additional professional development.

This package of initiatives was intended to achieved the following outcomes:

- Improved access to early childhood services by assisting the viability of services and reducing the likelihood of fee increases.
- Improved quality of curriculum and management in early childhood centres.

The paper discussed the difference in funding between kindergarten and other early childhood services. The restoration of margins in early childhood funding subsidies was identified as one of a list of Vote Education risks that the Government was likely to have to consider. It was identified that there would be pressure to increase the funding rates that applied to the non-kindergarten sector. There has been concern in childcare services that they receive a lower rate of funding.

The paper stated the Government's goal of improved standards in the sector as a whole. It acknowledged the current higher funding of kindergartens as being inconsistent with the underlying government principle that services that meet similar quality requirements should receive similar funding rates.

There have been general cost pressures in the early childhood sector including recent trends in wage settlements.

The recommendations of the paper were that the Budget initiatives would:

- Improve access to early childhood services by assisting the viability of services and reduce the likelihood of fee increases.
- Improve quality of curriculum and management of early childhood centres.

Two options where examined. To increase funding to licensed services only or to increase funding "across the board", that is to include unlicensed services. The final decision was to give the 5% increase to licensed and chartered services only (Smith K., 1997a).

22nd May

Pre- Budget Announcement of the Funding Subsidy Increase for Licensed and Chartered Early Childhood Education Services

Officials in the Ministry of Education were asked to give information relating to the early announcement of increase funding.

Kindergarten Associations had requested that the government restrict the disclosure of information about kindergarten funding by reporting all early childhood funding in a single line item within the Education estimates and establishing commercially sensitive purchase contracts with each provider. The Associations said this would help them in their negotiations with NZEI.

They were advised that this would not be appropriate although it was recognised that Associations were in a difficult position, having to negotiate employment contracts for the first time with very little time and being unsure of what financial resources were available to them. However, it was thought better to treat the entire early childhood sector equally. The key messages which the writers of this paper wished to convey were that:

- The government was committed to early childhood education.
- The funding increase would help ensure continued access to, and affordability of early childhood education services.
- Early childhood education providers would be free to use this funding in the way that they thought would best meet the needs of children.
- The government acknowledges that there is more work to be done to put all early childhood education services on an equal footing (Smith K., 1997b).

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