

Funding Strategies for Equitable Access to Early Childhood Education: The Case of New Zealand

Introduction

In New Zealand, community groups and private organisations have been providing early childhood education and care services (ECES)¹ for over 125 years. The government has not been directly providing ECES. Instead, it has paid subsidies to selected community-run (NGO) ECES since the early 20th century, and to private-enterprise childcare centres during the recent several decades². Until 1990, the formula for ECES subsidies depended on what organisational lobbyists had sought and won. (All types of service had won something, however). A pre-requisite for a subsidy was the meeting of government-set standards. Families who met income and/or health/disability criteria could also apply for a fees subsidy from government's welfare department.

By 1990, the Ministry of Education had also been involved in ECES for several decades through three major channels. It funded training – both pre-service and in-service – of early childhood staff. As well, it operated a national network of public servants to license, monitor, advise and support ECES programmes. Finally, it employed specialists to provide interventions for children with disabilities.

New Zealand's relatively high levels of government support for early childhood education (ECE) – in terms of funding, training and advice and support – came in response to a long-standing, relatively high level of support and advocacy by NGOs and families. Notably, politicians had learned that government support for ECE had an impact on voting patterns.

Funding Policies in the 1990s

In 1990, there was a radical change in education policy for ECES. The Government replaced all former forms of subsidy and assistance for ECES with a mixed funding model. This model offered some funding to services by the Ministry of Education, and maintained some traditional fees subsidy payments to families by the welfare department. Two principles guided the changes:

decentralisation of control, and families' universal entitlement to access subsidised services. Key features of the new policy include the following:

- A *bulk grant-in-aid* is paid to all licensed and chartered ECES. The basis of the bulk grant is a universal hourly rate per full-time equivalent positions, up to 30 hours per week for the number of positions specified on each licence. The bulk grant is for staffing, in-service training for the staff, operational costs, and facilities costs. The grant-in-aid is higher for children under 2 years of age. A plan was launched to reduce the gap between the lowest-funded types of ECES and the highest-funded ones.
- A *childcare subsidy* is paid to targeted families, in order to abate their financial burden.
- Tertiary education institutions, including those that trained ECES staff, are funded on a similar basis, i.e., a subsidy per full-time equivalent student place.
- Most children with disabilities are enrolled in mainstream ECES, with extra funding and advice/support from a new government-funded agency.
- A new, independent government department was set up to monitor (review) ECES' and schools' compliance with legislation, and their educational performance.
- Yet another new government-funded agency was established to provide advice and support to any ECES in need, including professional development (in-service training) programmes.

Overall, the policy changes of 1990 involved a considerable increase in government investment in ECES. Clearly reflected in such policy changes was the New Zealand government's recognition of the necessity of adequacy and quality in ECES. These changes, as outlined above, are in harmony with changes made at the same time to school administrative structures and systems.

Ethnicity and Equity of Access

The changes in policy were intended to increase equity of access to ECES. In the late 1980s, there was an upsurge in Maori-language immersion ECES, and their Pacific counterparts, developed by and for Maori and Pacific communities. During the 1991-1996 period, supported by

¹ ECES provide services for children from birth to school starting age around 5 years. The Ministry of Education now has administrative responsibility for all types of ECES: kindergartens, playcentres (parent co-operatives), Maori and Pacific language-immersion centres, and home-based care services.

² Meade, A. (1999). *New Zealand Funding of Early Childhood Education*. Washington, DC: The World Bank.

the new funding policies, enrolments in ECES increased at a rate that was higher for Maori than for non-Maori (39.7 percent and 24.5 percent respectively) and for children from Pacific nations³. As of 1996, however, Maori children's participation rate in ECES was still lower than that of non-Maori children. This was most apparent among Maori children aged 2-4 years (where the gap between Maori and non-Maori children's enrolment was 29.3 percentage points; whereas for infants aged under 2 years, the enrolment disparity for Maori and non-Maori was only 3.9 percentage points)⁴.

Table 1 shows a small yet continual growth between 1995 and 2003 in the number of Maori children, and children from Pacific nations, enrolled at ECE centres.

Table 1: Ethnicity of enrolled children (aged from birth to 5 years) at ECE centres in New Zealand, as at 1 July 1995 and 1 July 2003

Ethnic Group	1995		2003	
	N	%	N	%
NZ Maori	29,856	18.73	33,892	18.83
Total Pacific*	9,752	6.12	11,838	6.58
Total Asian	3,694	2.32	9,886	5.49
Other**	3,482	2.18	2,549	1.42
European***	112,618	70.65	121,835	67.69
Total enrolments	159,402	100.00	180,000	100.00

* Includes e.g., Samoan, Tongan, Cook Island Maori, Niuean, Fijian

** e.g., South American, African. Ethnic classification was expanded in 1998; therefore prior to 1998, the 'Other' classification may include some children from the 'Other European' classification.

*** European includes NZ European and other European.

Data source: New Zealand Ministry of Education Data Management Unit, April, 2004.

Access in Rural Areas

In rural areas, Government gives very small grants-in-aid to license-exempt, parent-led playgroups, and Ministry of Education advisors provide supportive visits to playgroups.

Incremental Changes in Policy

Since the 1990s, New Zealand has seen some incremental changes to the aforementioned policies. Of the changes, two main trends can be identified: multiple funding levels and re-centralisation.

For a variety of reasons, the bulk grant-in-aid method has changed from a universal hourly rate to varying rates at three different funding levels. In the early 1990s, a newly elected government decided against bringing a universal rate into effect. Instead, it decided to give more money to the ECES hiring only qualified ECE teachers, than to those who employed unqualified staff. In the mid-1990s, a mid-point level of funding was introduced to subsidise ECES

that had better staff-child ratios or more qualified ECE teachers. In order to improve equity of access, in 2002, the government introduced additional funding levels favouring ECES in low-income communities or operating in a language other than English. Since then, two agencies - one for children with disabilities, and one for advising and supporting ECES - were merged into the Ministry of Education with the intention of reducing administrative costs.

Conclusion

During the 1990s, in New Zealand, increased governmental grants for ECES led to some increases in participation rates and improvements in quality. However, affordability remained an issue, and, therefore, additional methods for governmental funding have been implemented in order to enhance access. As in many other countries, however, this country still faces some continuing concerns about the equity aspects of ECES funding policies, and families' access to quality services.⁵ The New Zealand government has indicated that later in 2004 it will announce new policy changes to promote better quality and more affordable ECES.⁶

Anne Meade and Valerie N. Podmore
Institute for Early Childhood Studies
Victoria University of Wellington
New Zealand

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For comments and inquiries, please contact:

Section for Early Childhood and Inclusive Education, UNESCO

7, place de Fontenoy, 75352 PARIS 07 SP, France

☎ 33 1 45 68 08 15, fax: 33 1 45 68 56 26, sh.choi@unesco.org

³ Meade, A. (2000). The early childhood landscape in New Zealand. In J. Hayden (Ed.) *Landscapes in Early Childhood Education: Cross-National Perspectives on Empowerment - A guide for the New Millennium*. New York: Peter Lang.

⁴ Statistics New Zealand *Growth in early childhood education*. <http://www.stats.govt.nz/>. Retrieved 7 April, 2004.

⁵ Mitchell, L. (1995). Crossroads - early childhood education in the mid-1990s. In I. D. Livingstone (Ed.), *New Zealand Annual Review of Education*, 5, 75-92.

⁶ A follow-up UNESCO policy brief plans to include an update on these changes.