APPENDIX TWO

SPEECH NOTES

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MINISTER RESPONSIBLE FOR THE EDUCATION REVIEW OFFICE

New Zealand Free Kindergarten Assn. Conf.

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E nga iwi e tau nei, tena koutou katoa.

E hari koa ana ahau, kua tae mai, ki te whakawhiti whakāro, mo te kaupapa o tenei hui.

Thank you for your invitation to speak to you here today. I am particularly pleased to be able to join you. While I have met with your President, Tony Rhodes, and the Executive Officer Valerie Moreland, I have not met with you as a national organisation. I hope I have the opportunity to speak with many of you while I am here today.

I was delighted to be given the early childhood education portfolio. I know that I will find this work stimulating and exciting and much bigger and more complex than most people realise - or believe. As many of you know I come from an education background, including a period of lecturing to early childhood students. This background, my contacts with the community while a candidate for election, and seven months experience as Associate Minister, have helped me to become conversant with a wide range of issues in early childhood education.

More than any other portfolio, education has the potential to influence the sort of society we have next century.

There is now increased recognition both by the Government and by communities of the importance of the early years and the value of early childhood education. In the past the provision of and funding of early childhood education services was uneven. Recent trends have broadened funding and access. One of the strengths is the diversity of services with the different philosophical and cultural beliefs and values that have developed to meet the varying needs of children and their families.

Early childhood education and care also helps parents and caregivers, particularly women, enter, or re-enter, the paid workforce. The number of women employed in New Zealand has increased by 14% over the past decade. These trends, along with parental demands, are driving changes in the early childhood sector. There has been phenomenal growth in early childhood services in recent years. There are now more than 3,900 licensed and developing early childhood services (up by 1034 from 1990), including playcentres, Pacific Islands early childhood centres, home-based services, childcare, playgroups and, of course, kindergartens.

Enrolments in early childhood education have increased from 118,367 in 1990 to 160,291 in 1996.

We will continue to support diversity in early childhood services, so that children have access to an educational environment at an early age to enable them to reach school-age well prepared - socially, emotionally, and intellectually.

The Government and early childhood education providers are agreed on the need for good quality services. There is general consensus that good quality early childhood education benefits children from all social groups, their families and society as a whole. And there is a considerable amount of research evidence that can guide us in our policy decisions.

For instance, there is very good research from New Zealand from people like Ann Smith, Anne Meade and Cathy Wylie, which is showing us that our children make a very positive start at school as a result of their earlier education. This research also gives us a fairly good picture of what constitutes 'quality' in education.

So what does this research tell us about what policies we should pursue? It tells us that there is solid evidence that early childhood services have positive outcomes for children, provided it is good quality. If quality is poor, there may be no benefits, or it may even do harm. That supports our emphasis on quality and the incentive that different funding rates give providers to improve quality.

It can't tell us when children should start in an early childhood service or how long they should attend. But we do know that once they start it should not be interrupted, and that an earlier start is better for children from disadvantaged or minority backgrounds. That supports our policy of helping Kōhanga Reo and Pacific Islands Early Childhood Centres get establish and become licensed and chartered.

It does tell us that good quality early childhood education provides a solid foundation in children's early years for future learning and achievement. It is also clear that early childhood education has a substantial public benefit, as well as an obvious private benefit. The Government recognises that; that's why we subsidise it to the extent that we do. The challenge for the Government, through its overall investment in early childhood, is to ensure that the public benefits of early childhood education are equally available to all children in order to provide them with the sound foundation for future learning.

Since 1989 successive governments have generally followed the path set out in the *Before Five* report, moving towards greater equity of support to providers in the sector. This has included the introduction of common licensing requirements and the development and implementation of Te Whāriki, the early childhood curriculum.

As an aside, I believe that Te Whāriki will become hugely influential in the early childhood education sector. It has the potential to raise educational standards right across the sector, especially in areas where they are weak.

The involvement of the State Services Commission in kindergarten wage bargaining was inconsistent with these changes because it meant kindergartens had a different wage determining and fixing process from other early childhood providers. The removal from the State Services Commission of the responsibility for wage negotiations for kindergarten associations has put the negotiation of the Collective Employment Contracts on a more even footing throughout the sector.

This change will not reduce the employment standards that apply in kindergartens. Kindergarten associations are bound by the requirements of the early childhood education Charter Guidelines: A Statement of Desirable Objectives and Practices (DOPs), which are gazetted by the Minister of Education under the Education Act.

The DOPs require the management of early childhood education services to be good employers, mirroring the provisions of the State Sector Act. The DOPs also require management of early childhood services to operate Equal Employment Opportunities policies. The DOPs contain goals on staff development and recruitment and the importance of selecting suitable staff. In summary, the Government is confident that employers within the kindergarten sector are quite capable of successfully organising and finalising appropriate industrial agreements without the controlling hand of the State Services Commission.

The Government is committed to ensuring a range of quality early childhood education opportunities for all young children, provided within a consistent and equitable framework. This was further demonstrated when the Government announced increases in subsidies for licensed and chartered services by five per cent from 1 July 1997. Early childhood services will receive an extra $37 million in direct government funding over the next three years. This is significantly above the headline inflation (currently 1.8%) and the $10 million promised in the Coalition Agreement. This announcement was made before the Budget to honour a commitment we made to kindergarten associations when the government passed the State Sector Amendment Act in early May.

From 1 July kindergartens moved from $3.09 to $3.24 a sessional hour. Since December 1996, kindergartens have benefited from an 11.7% increase in subsidy rates. I know you are familiar with these details, but I wanted to make the point that the Government has an ongoing commitment to the early childhood sector.

I saw a claim recently from an executive of an association that the Government will cap early childhood sector funding next year. There is no substance to that claim at all. Funding is, and will remain, demand driven.

I have also heard the argument that we should be targeting our money to where the quality is highest. Well, we do. We have a higher funding rate for services that meet specified standards above the minimum.

I know also that some people in the community-based part of the sector resent the money that goes to privately-owned centres run for profit. There is, I believe, a flaw in the argument that the Government subsidy that goes to these services just ends up in the pockets of the owners. Given that the Government subsidy does not cover all the costs of running kindergartens and other non-profit services, I can't see how the subsidy could possibly be a windfall profit for private owners. Any profit they make comes from the fees they charge. And, despite claims to the contrary, the Government does not give private operators a huge hand-up. They are entitled to the same Rate 1 and Rate 2 subsidies as not-for-profit services. However, they do not have access to the Early Childhood Discretionary Grants Scheme, which allocated a total of $4.235 million for capital works last year and included separate pools for Te Reo Māori and Pacific Islands Early Childhood centres.

On the subject of property, the Ministry has begun work - in co-operation with sector representatives - on clarifying the status of kindergarten and playcentre property. This work is establishing an accurate and shared set of information which will lead to advice to the Government on what changes to ownership or leases for Crown or Ministry owned early childhood properties could be appropriate. The Government is aware that transfer to associations balance sheets would reflect the operational reality and that it could assist associations in borrowing for construction of new sites and for working capital purposes.

However, I know that this is a complex area and that there is considerably more work to be undertaken before the associations and the Ministry have a clear picture and agreed understanding of what is possible in respect to property arrangements. I congratulate the kindergarten associations, the Playcentre Federation and the Ministry on the manner in which they are co-operating to work through a complex situation. I look forward to the outcome of this work and to taking it to the Government for consideration some time in the future.

The social conscience and altruism of the middle class over a hundred years ago led to the creation of the kindergarten movement, based on the philosophies of the German

educationalist and philosopher Fredrick Froebel. Compassion for the poor was the motive behind the formation of the New Zealand kindergarten movement. The founding volunteers believed that young children of the working poor, in particular, were poorly treated and environmentally deprived and that they would not develop and learn appropriately unless there was some external intervention.

Of course, we know nowadays that it is not only children from disadvantaged families who benefit from early childhood education.

Today, kindergartens have much wider functions. You have entered into an agreement with the Government through your charters to provide high quality early childhood education. You have the legislative responsibility for employing staff, negotiating their conditions of employment, distributing resources and managing kindergarten property.

Your national organisation represents 33 kindergarten associations, which are responsible collectively for the management of 362 free kindergartens, including mobile kindergartens. I appreciate your efforts and drive in maintaining the provision of an effective, high-quality early childhood education service that is available to young children - who are the nation's most precious resource. They are our Taonga, our treasures.

From the observations and reviews carried out by the Education Review Office, associations generally do a pretty good job of this.

However, there are challenges ahead for you. Two main challenges I see are responsiveness and educational leadership.

Most of the spectacular growth in the number of early childhood centres in recent years has been outside the free kindergarten movement. With the increase in the number of families where both parents work, there has been more demand for full-day programmes, often for children under 3 years old. These are the very children that kindergartens don't cater for. This is not a criticism of kindergartens. In fact, a large number of the children in full day, home-based care also go to the local kindergarten or playcentre.

The challenge to kindergartens is to continue to be responsive to the needs of their early childhood communities so that their share of the early childhood sector does not decline. To survive and flourish in the next century as providers of high quality early childhood education, kindergartens may need to ascertain and respond more strategically to the needs of their communities.

A further challenge to kindergartens is to continue to increase the quality of the education programmes delivered. The kindergarten movement could investigate how it can use its established organisation structure, its qualified teachers, its national networks and its prominent position in the early childhood education sector to explore new initiatives in early childhood education.

Because the kindergarten movement has a history of good leadership and involvement with early childhood education, your organisation has a strong base from which to work to meet these challenges.

In recent months I have met representatives of several kindergarten associations. I have been impressed with the plans they have for the future and the role they see themselves playing working with other people in the early childhood education sector.

Early childhood education is a partnership between the home and family on the one hand and the community and service on the other, supported by the government. The flexibility and variety of the parent and family support and education services reflect the diversity of community needs and indicate that a range of models is necessary to meet the different needs.

Overall, New Zealand's provision and quality of early childhood services look good in comparison to other countries. New Zealand's more systematic approach is much closer to obtaining the optimal outcomes from early childhood education.

There are no good reasons for major changes to our mixed-model funding system, backed by appropriate regulations and enforcement. Our funding system supports the dual goals of access and adequate quality. It means that children from all income backgrounds can attend good quality early childhood education services. However, that doesn't mean that we shouldn't continue to fine tune our model to improve it.

In contrast, some funding models used overseas, such as the widespread use of tax-credits and income-related subsidies, have done little to improve or maintain quality and access. In the US, for instance, pre-school children who get good quality education come from either well-off families, who can afford it, or poor families, who get the targeted Government funding. The children in the middle often miss out.

Changes, such as those that have come about from the *Before Five* reforms, encourage innovation and community responsiveness, and allow for flexibility and new practices.

Thank you for the opportunity to speak to you today.

He kōrero whakamutunga moku; ko to whakatauaki e mea nei: "Ahakoa iti, he iti mapihi pounamu".

["Although small, it's a precious stone."]

[Ends]