

Meade Report/‘Before Five’

New Zealand, 1987-1991

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An overview

Early childhood care and education (ECCE) in Aotearoa New Zealand is provided by a variety of non-governmental organisations and private providers. The government sets the regulations under which ECCE centres must operate, and subsidises their costs through the Ministry of Education using formulae based on enrolments and attendance. The subsidy is a bulk grant, with the individual ECCE centres having control over how the money is to be spent, and what other revenue they might seek (such as parental fees). ECCE centres must be licensed by the Ministry to receive the bulk grant and are monitored through the Education Review Office (ERO).

This overall framework for administering and funding ECE services has been in place since 1990. Before that, ECCE was administered through a complicated set of arrangements that varied with the type of ECCE service (for example, kindergarten or childcare centre), and funded through a series of targeted grants that were centrally administered. For example, property improvements to a Playcentre had to be agreed to by the Department of Education, which then provided funding and often arranged for the work to be carried out. In contrast, a childcare centre was not eligible for any property maintenance funding.

This system changed in 1987-1990 when the entire education system in Aotearoa New Zealand was reviewed by the fourth Labour government. Working parties were set up to review and make recommendations for the compulsory schooling sector, the tertiary education sector, and the early childhood sector. Dr Anne Meade was appointed as chair of the working group to review ECCE, with the report *Education to be More* being released in 1988. The report, generally referred to as the Meade report after the chairperson, recommended a new administration and funding framework compatible with that being proposed for the compulsory schooling sector, i.e. autonomous and self-managing centres, bulk grants, and administration through the proposed new Ministry of Education. The majority of the recommendations were accepted by the government, who released the policy document *Before Five* in December 1988. Details of implementation were worked out in 1989 and 1990, with the bulk grants system starting in 1990.

These two documents – the Meade report and the *Before Five* policy – were a significant point in the history of ECCE in Aotearoa New Zealand. They marked the government’s acceptance of ECCE as an important education sector, a change in society’s attitude to ECCE and childcare in particular, and the start of an exponential growth in childcare services. The two documents represent something of a paradox, in that the changes arose out of neoliberal ideology, yet incorporated a philosophy of collective responsibility for the education of young children and also met the demands of feminist activism. This entry outlines the conditions that existed prior to the changes, and describes the history of the turbulent three years from 1988 to 1990 when the Meade report and the *Before Five* policies were produced and implemented. The final section gives a brief comment on the subsequent changes to the *Before Five* implementation that occurred with the change of government in late 1990. These changes, whilst significant in their effects, did not alter the basic framework that had been put in place and which is still the basic framework in the second decade of the 21st century.

How did the opportunity for change come about?

At the time of the Hill report (Committee of Inquiry into Pre-School Education, 1971), the major ECCE providers were Kindergartens, which had started in the late 1800s, and Playcentres, which had started in the 1940s. Both operated half-day sessions. Government support was administered through the Department of Education.

In contrast, full day childcare was administered through the Department of Social Welfare. Childcare services had been expanding, but with minimal government support the fees for parents were high, there was minimal training for staff and the quality of education and care offered was extremely variable. Calls for increased availability of affordable childcare increased through the 1970s as second wave feminism became prominent in Aotearoa New Zealand.

Kōhanga reo emerged at the beginning of the 1980s. Developed in response to the ongoing loss of Māori language and culture, Kōhanga Reo was a family-based total immersion Māori ECCE service. There was a small amount of funding from the Department of Māori Affairs, but the exponential growth of the new initiative soon stretched this funding to the limit. At the same time there was growth of Pacific Island language nests,

which were also primarily aimed at cultural promotion and preservation. There was little to no funding for these services.

Thus in the 1980s, Aotearoa New Zealand had a complex mix of ECCE services with different philosophies and origins, and different government support arrangements that were tied to the service type. There were calls for these arrangements to be simplified and made more equitable between the services. The first steps towards change were the transfer of childcare administration to the Department of Education in 1986, and then the introduction of three year integrated ECCE training in the teachers' colleges in 1988 to replace what had previously been specific kindergarten training. These changes laid the groundwork for the more radical changes that came at the end of the decade.

The Labour government elected in 1984 started to reform the systems of government using neo-liberal principles. This was supposed to result in both efficiency and effectiveness, and prepare the country for a global economy that was rapidly changing. The focus during the government's first term was on restructuring the economy by deregulation and minimising government intervention, intended to allow free market forces to operate. In its second term from 1987, the government applied the market approach to other policy areas, including education. The government started a project to reform all education sectors, appointing the Early Childhood Care and Education (ECCE) Working Group early in 1988. The Royal Commission on Social Policy which had been set up in 1986 to recommend changes over the wide area of social policy was still deliberating. Although childcare was considered within the Royal Commission's brief, by the time the report was released the focus was on the narrower education reform agenda and so the Commission's recommendations were sidelined.

The Early Childhood Care and Education Working Group

The ECCE Working Group consisted of Dr Anne Meade as chair, and nine members (including eight women) who were either officials from various government departments or from Māori and Pacific Island community organisations. There were twelve meetings of the Working Group from March to July 1988, with the report being launched on 22 September 1988.

As the Picot report had been released in April 1988, the ECCE Working Group made the decision to use that framework as the basis of the ECCE recommendations. This included the idea that the Department of Education and the Regional Education Boards would be replaced by a smaller, policy focused Ministry of Education that dealt directly with autonomous units – schools, in the case of the Picot report, and ECCE centres, in the case of the Meade report. This was an opportunity for the predominantly feminist ECCE Working Group to create an ECCE administration structure that included childcare alongside the previously preferred sessional services such as Kindergarten and Playcentre. All centres which met the minimum criteria would be licensed and therefore receive a funding subsidy and be subject to monitoring requirements. Centres could do what they chose to with the money so long as they continued to meet minimum standards. This meant they could continue to promote their particular philosophy (for example, Playcentre's philosophy of parents as educators) but the funding and administration would not be dependent on service type. In fact, the idea was that the umbrella associations such as the Playcentre Federation and the Kindergarten Associations would become obsolete as the Ministry would deal directly with centres (although that never occurred in practice).

The Meade report addressed the public perceptions of childcare directly with a section debunking myths about childcare that were "based on the view that a woman's place was in the home" (ECCE Working Group, 1988, p. 11) and further outlining the benefits of ECCE for children, families and society in general. Partly to counter the views of the Treasury briefing for the incoming government in 1987, the argument was made that ECCE was essential for the healthy functioning of society, and although families had the primary responsibility for young children, they could not be expected to have all the expertise or resources to do this without society's support. Therefore the report argued that the government had a responsibility for partially funding ECCE, setting and monitoring standards, contributing to the costs of training staff, and planning provision to ensure equitable access. Most of this fell within the neo-liberal idea of contracting out service provision – ECCE centres would be funded to produce services of a specified standard – which made the general concept acceptable to the government. Planning of provision rather than leaving it to the market was perhaps less acceptable, but even the funding of childcare services through the new Ministry of Education represented a more planned approach than the previous system.

Funding for ECCE was described in the Meade report as being in crisis, with immediate action being required. The main funding arrangement proposed was a bulk grant based on a universal hourly rate for child attendance to replace all the various grants and subsidies that existed. This was to be alongside a discretionary grant system for specific projects such as the establishment or upgrading of a service, and a property loans scheme. The report recommended the continuation of the fees subsidy targeted at low-income families through the Department of Social Welfare. The key question then was what amount the universal hourly rate should be. The Meade report outlined a range of options, from \$2.00 per hour (equating to approximately what was already allocated, around \$98 million, but with no funding for quality improvement), to \$3.50 per hour (at which the

kindergartens would receive the same as what they were already receiving, with other services receiving more than current funding), to \$4.00 per hour (recommended by the Working Group) and up to \$5.00 per hour (the Working Group's preferred rate). The report made the statement that "in total, government support for high-quality early childhood care and education on an equitable basis may require around \$250 million per year" (p. 69). This would require extra funding of \$150 million for ECCE, a figure that was talked about in the media reports but was rejected as unrealistic by the government.

Before Five

After the Meade report was released on 22 September 1988, the public was given less than two months to give feedback to the government. There were more than 1,000 submissions in that time. The response was mostly positive for the general thrust of the recommendations, although centres and organisations were unsure of what it would mean for their particular service. The government released its policy response, *Before Five*, in December.

The policy document outlined the government's intentions for the early childhood sector. It accepted the ideas of chartered and licensed services which would be eligible for a bulk funding grant, a discretionary grants scheme for capital costs, and the setting up of an Early Childhood Development Unit to provide support and advice. The ECCE sector would also be supported by the new Ministry of Education, the Special Education Service, the Review and Audit Agency (later the Education Review Office) and the Parent Advocacy Council, which were being set up with the compulsory schooling reforms. The recommendation to require Boards of Trustees was not accepted and therefore existing management structures would continue. The issue of training and qualifications of ECCE teachers was deferred, because of the continuing work in tertiary education policy.

The *Before Five* document was a pragmatic and rather brief policy outline, which deferred the question of funding and quality standards to the implementation phase to be carried out in 1989. *Before Five* referred to, and drew on, the Meade report, but offered little of its own rationale for the policies set out. This meant that the wider context of ECCE policy as social policy, a significant aspect of the Meade report, was missing. In its place was an educational discourse, with the foreword by the then Prime Minister and Minister for Education, David Lange, promoting *Before Five* as a policy to enhance children's learning. This emphasis on ECCE as an educational benefit to individual children, yet not including the benefits to families, women and society, fitted with the dominant Treasury view of education as a private good.

Before Five implementation

In 1989, Before Five Implementation Working Groups were set up with representatives from government departments, ECCE organisations, and universities. There was also some input from the Department of Education runanga (Māori council). The timeframes were tight. Working Groups met in March, sent out draft reports to ECCE organisations and individuals for feedback, and presented final reports by the end of April. Three of the Working Groups' proposals and the subsequent government decisions are outlined here.

The National Guidelines Working Group produced the minimum criteria to be met for licensing, and drafted the content for charters that were to provide the extra quality standards. From their report the Department of Education published the minimum criteria for licensing in August, in a distinctive purple folder that gave rise to a number of nicknames such as the "purple people eater" and the "purple peril". Services had to announce their intentions to become chartered by November 1989 in order for their bulk funding to start in February 1990, and charters were to be finalised by July 1990 (this date was later extended to July 1991).

The Working Group on Bulk Funding came up with two formulae, one for sessional services and one for full day childcare, reflecting the dominant policy division of ECCE at that time which was based on the number of hours offered per day. The recommended formulae were similar in structure: a base rate multiplied by a weighting for infants, and for toddlers, and an additional component added on for 'extraordinary' costs such as for specific children with identified special needs, or for the location of the service (isolated or inner city). Funding rates were a contentious issue, and the debate within Cabinet was not resolved before the Budget was announced in July 1989. ECCE groups mounted a Campaign for Quality Early Childhood Education to ensure that sufficient funding would be allocated, which was effective in influencing the final result (Meade, 1990).

The funding package was finally announced on 1 September 1989 (Department of Education, 1989). The funding rates did not use the formulae suggested by the Working Group, but rather set three rates – one for children over two years, and one for children under two years where a parent was not present (therefore Playcentre was only eligible for funding for the older children), and one rate for Kindergartens (to ensure that they did not get less funding than currently). The package was a staged plan over five years. The over-two rate was set at \$2.25 per child per hour, rising to \$3.30 by 1994 when all ECCE services would have parity with Kindergartens. This was still less than the Meade report recommendation of \$4 per hour. The under-two rate was \$7.25 per child per hour with no staged increases, so that in 1994 it would be just a little more than twice the over-two rate. This recognised that the new regulations would require more staff immediately, and therefore these needed to be funded from 1990. No other weightings were taken into account for funding. Although the

main funding rate (for over-tuos) was not a big increase on the current funding, the fact that more services would be eligible for the funding and the substantial under-tuos funding rate for childcare – the growth area of ECCE – meant that Government expenditure on ECCE was set to increase dramatically.

The Working Group on Qualifications recommended that the new *person responsible* in all centres be qualified with the new three year teaching diploma by the year 2000. This was contested by services such as the Playcentre Federation, who argued that it was counter to their philosophy of group supervision; and by Treasury, who argued that this would result in an unnecessary and expensive rise in costs. Two further working groups were convened as the issue of qualifications continued to be debated in political circles. The final result was the *Qualifications Blueprint*, released in August 1990, which used a two-tiered framework: Group 1 had limited parental involvement, and therefore the head teacher would need the three year diploma, and Group 2 which had extensive parent involvement (such as Playcentres and Kohanga reo) and would meet a set combination of qualifications within the supervision team.

Change of government, change of plan

By mid-1990 most of the new structures of the educational administration were in place. However it was also election year, and the public was becoming disillusioned with the government, especially as the different factions and in-fighting within the Labour party were now obvious. A new National government was elected in late October. They inherited a newly reformed educational administrative system, a national bank that was on the verge of bankruptcy, an economy in recession and a history of budget deficits. They immediately moved to cut government expenditure and implement social policy based on personal responsibility and targeted assistance for those most in need.

In December 1990 the new government announced the Economic and Social Initiative as a first step to reduce the fiscal deficit. Given that welfare spending was the biggest component of expenditure, welfare was the primary target of the initiative. Universal benefits were cut dramatically. The *Before Five* staged funding plan was halted. This Initiative was followed by the 'Mother of All Budgets' in July 1991. For ECCE this resulted in the funding rate for under-tuos being almost halved. It was argued that it was still almost twice the rate for over-tuos, and since the required increase in staffing numbers was also removed, the funding ought to be sufficient. Other regulations were also changed, for example minimum property requirements and contents of the Charter, with the rationale that these were unnecessarily restrictive, and the government wanted to put "money into learning, not buildings" (Smith, 1991, p. 4). These changes affected services differently. Playcentre welcomed the decreased property requirements, as building changes had been the largest impact of the *Before Five* reforms on the organisation. Conversely, childcare centres were dramatically and negatively affected by funding cuts, as many had employed new staff budgeted on the 1990 funding rates.

The *Before Five* reforms set the basic structure for administration of ECCE in Aotearoa New Zealand that is still in place today, in 2016, with no signs of imminent change. Different policies have affected funding rates, minimum standards and qualifications, but the overall framework has remained intact and appears to function sufficiently well to have acceptance both from the ECCE sector and the government.

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