

Ngā Puna Reo o Aotearoa
Te Whānau Tupu Ngātahi | Playcentre Aotearoa
Central Kids
Ngā Tamariki Puāwai o Tāmaki | Auckland Kindergarten Association
Te Rito Maioha Early Childhood New Zealand
NZEI Te Riu Roa
Sosaiete o Aoga Amata Samoa | Aotearoa
Barnardos Aotearoa
Kindergartens Aotearoa

18 March 2026

Linda Meade
Chair
ECE Funding Review Ministerial Advisory Group
Ministry of Education
Wellington

ECE.FundingReview@education.govt.nz

Tēnā koe Linda

On 9 December 2025, representatives from Te Rito Maioha Early Childhood New Zealand, Sosaiete Ā'oga Amata Samoa Aotearoa Incorporated, Ngā Puna Reo o Aotearoa, Te Whānau Tupu Ngātahi o Aotearoa | Playcentre Aotearoa, Barnardos Aotearoa, NZEI Te Riu Roa and kindergarten associations met in Wellington to discuss the current ECE funding review and approach for the future.

We considered international funding models and spent time talking through what works well within our current system, what needs to change, and the principles that should underpin our funding system in future. We agreed the current system is not 'totally broken' as has been stated publicly, rather it is the **amount of funding** to services and the **rules administering the system** that are causing frustration and concern and add unnecessary complexity.

We identified solutions for the issues the ECE Funding Review: Ministerial Advisory Group (MAG) has been tasked to provide advice on to government, which we set out here for your consideration.

1 Positive aspects of the current funding system

We agreed there is wide public and political support for the investment of public funds in the provision of early childhood education services, and highlighted the significance of Te Tiriti o Waitangi embedded within the system at both the central and service level, and in our curriculum Te Whāriki. We identified a number of positive aspects of the current system including that it:

- places ECE in the education sector alongside the schooling sector both being administered by the Ministry of Education, positioning ECE as a public good;

- recognises the diversity of ECE services and communities across the motu, and the cost drivers for different services;
- funds services directly - supply side funding - giving a degree of certainty to services for their ongoing operation and viability;
- is structured to incentivise and recognise well-evidenced quality factors such as teacher qualifications;
- is a mechanism to deliver wider policy objectives such as pay equity and pay parity, and gives effect to broader policy settings for example, incentivising 100% qualified ECE teaching workforce and teachers' professionalism; and
- is accountable to the public in that only licensed services receive public funds.

2 Strengthening our current system

We agreed alongside increased funding, and strengthening the positive aspects of our current system as outlined above, a renewed funding system must:

- continue to give effect to Te Tiriti o Waitangi, be Te Tiriti o Waitangi led - underpinning legislative and regulatory elements;
- be values-led and tamariki and whānau centred - ko te tamaiti te pūtake, upholding the mana of our tamariki;
- strengthen and protect community-based, not-for-profit services;
- ensure all tamariki have equitable access to high quality ECE: recognising and driven by structural ¹ and process ² quality factors.

3 The way forward

We acknowledge the MAG is tasked with reviewing the current funding system and providing advice to government on issues of:

- affordability and access to ECE services;
- universal versus targeted funding;
- system complexity; and
- the impact of ECE provision.

We added a fifth issue: accountability for the receipt and use of public funds.

We discussed the MAG's terms of reference and the *"four broad overlapping areas of concern with how well the funding system is supporting ECE provision"* ³ and the scope: key outcomes ⁴ the minister is seeking the MAG's advice on. We offer solutions to each of the issues to ensure wise investment in high quality ECE.

¹ Structural quality: qualifications of staff/educators [*playcentre*: person responsible with qualification *teacher-led*: 100% degree qualified kaiako in regulated positions]; terms and conditions [*teacher-led*: service funded for 100%, national collective agreement with pay parity, across all services]; parent and whānau involvement; improved ratios and group size; ongoing PLD and support; learning support; appropriate environments

² Process quality: warm and welcoming environments; high quality interactions; celebrating and nurturing culture, language and identity; encouraging tamariki to see themselves as successful learners; constant use of te reo and tikanga Māori

³ ECE Funding Review: Ministerial Advisory Group. Terms of Reference June 2025. pg 3

⁴ ECE Funding Review: Ministerial Advisory Group. Terms of Reference June 202. pg 5

Key issues	Solutions - advice to the minister	Outcomes sought by government
Affordability and access	<ul style="list-style-type: none"> • Support universal access through a legislated entitlement to high quality ECE available from the completion of paid parental leave. • Increase funding to ECE services to keep pace with costs of providing high quality ECE and to keep costs to parents and caregivers low. • Fund and ensure up to 30 hours 'free ECE' for all children regardless of age. • Cap fee levels at a dollar amount or percentage of family income to ensure affordability for parents and caregivers. • Embed and safeguard clear investment and transparent accountability requirements to ensure public and parent funding supports high quality teaching and learning, strengthens workforce capability and delivers educational value, rather than owner/shareholder benefit. • Plan provision of services to ensure a range of services are locally accessible, appropriate for all families and available in all communities. • Support sustainability and growth of rural and isolated community-based services. • Identify crown property for the provision of community-based ECE services. 	<ul style="list-style-type: none"> • Increased participation of tamariki and whānau, improved educational outcomes, and increased parent and caregivers' labour market participation. • Improved breadth and availability of service options for parents. • Equitable outcomes for children facing education and access barriers. • Simpler and more transparent funding system for parents and providers. • Informs government's understanding of value for money and accountability for the use of public funds.
Universal versus targeted funding	<ul style="list-style-type: none"> • Continue to universally fund services to ensure the provision of high quality services in every community and certainty of funding for planning. • Remove Family Boost and incorporate that funding into service funding rates. 	<ul style="list-style-type: none"> • Equitable outcomes for children facing education and access barriers. • Simpler and more transparent funding system for parents and providers. • Increased participation of tamariki and whānau, improved educational outcomes, and

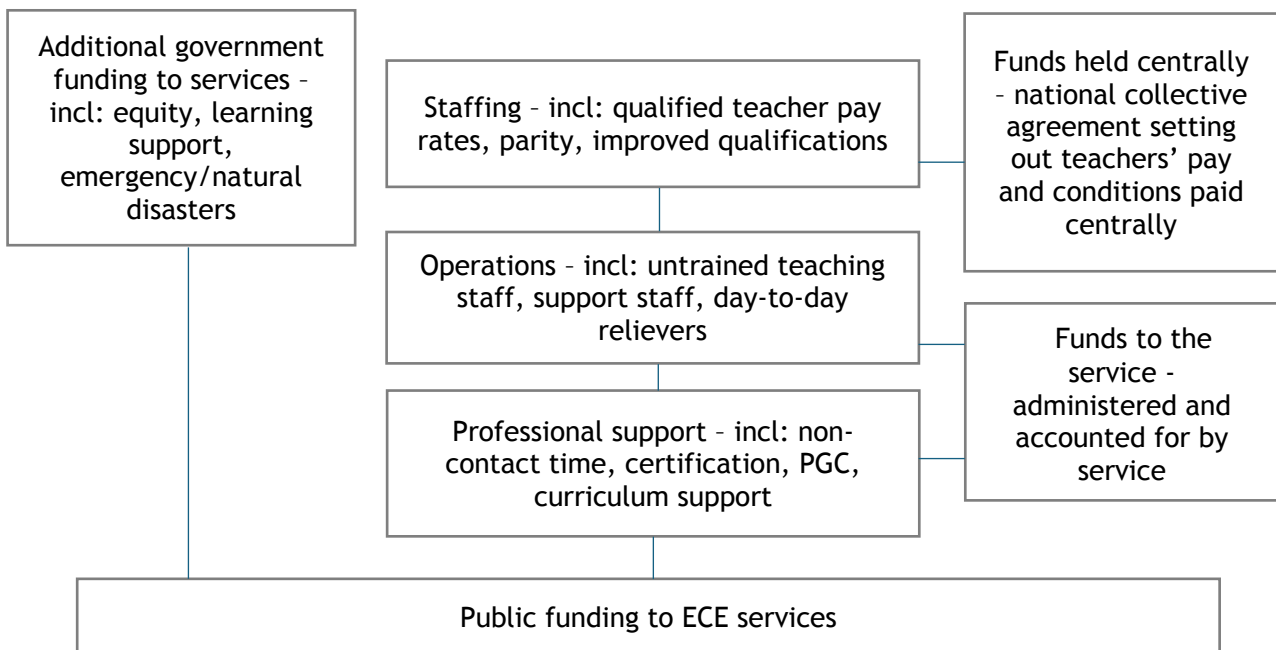
	<ul style="list-style-type: none"> • Make additional funding available as staffing or funding where there is significant community need and access/affordability measures still create a barrier to participation. • Revise equity funding to better describe socio-economic status of tamariki and identified needs. 	<p>increased parent and caregivers' labour market participation.</p>
System complexity	<ul style="list-style-type: none"> • Ensure universal, supply-side funding to services. • Establish one funding stream/source rather than multi-agency. • Fund and target key components of service provision: staffing (largest cost driver for teacher-led centre-based services); operations based on service cost drivers; professional support. • Ensure up to 30 hours 'free ECE' for all children regardless of age. • Centrally negotiate a national collective agreement for teachers to ensure equity of pay and conditions for teachers and clarity and certainty for teachers and service providers (staffing component). • Add ECE teachers to the current centralised teachers' pay system operated by the Ministry of Education removing the administrative complexities from service providers (staffing component). • Incorporate Family Boost funding into service funding rates (operations component). • Fund for full year provision (operations component). 	<ul style="list-style-type: none"> • Simpler and more transparent funding system for parents and providers. • Increased participation of tamariki and whānau, improved educational outcomes, and increased parent and caregivers' labour market participation. • Improved breadth and availability of service options for parents. • Informs government's understanding of value for money and accountability for the use of public funds.
Impact of ECE	<ul style="list-style-type: none"> • Review Education Review Office reports on services' performance in meeting outcomes for tamariki. 	<ul style="list-style-type: none"> • Informs government's understanding of value for money and accountability for the use of public funds.

	<ul style="list-style-type: none"> Review the national and international body of evidence on the benefits of high-quality ECE. 	
Accountability for use of public funds	<ul style="list-style-type: none"> All services meet the same government reporting requirements. Ministry of Education to gather, analyse and publicise yearly data on fees charged. Central negotiations and payment of teachers' salaries to ensure funding is used for that purpose. Staff and parent/caregiver representatives to be on service decision-making bodies. 	<ul style="list-style-type: none"> Simpler and more transparent funding system for parents and providers. Provides financial data from services and parents / caregivers to inform the government's understanding of value for money and accountability for the use of public funds.

Over \$3.1 billion of public funding is spent in ECE annually, in addition to an estimated \$600 million or more that parents and caregivers contribute and the fee exemptions community-based providers offer made possible through fund-raising for example. In order to realise the benefits of high quality ECE, all public funds must go to the provision of high quality services. Placing conditions on the receipt of public funds is both appropriate and reasonable.

One of the strongest criticisms of the current funding system relates to teachers' pay, particularly pay parity - that it is underfunded and overly complex to administer. As we have outlined above, there is a solution: that funding is tagged to meet different costs in the same way that schools are funded.

ECE funding model at its simplest ..



Our solutions recognise quality and affordability - issues the minister is keen to address. We acknowledge the minister also seeks advice on “...*flexibility of funding use for service providers versus placing accountability requirements on spending.*”⁵

We conclude ‘flexibility’ is a response to addressing ‘complexity’ within the system. However, as we have proposed, tagging funds for specific purposes and in the case of teacher salaries paying directly, removes complexity and therefore the need for flexibility: accountability remains with the ministry for the administration of the majority of public funds rather than with ECE services.

4 Conclusion

We acknowledge the focus of the MAG is on teacher-led services and funding to nga kōhanga reo and playcentre is ‘out of scope.’ However, the positive and strengthened aspects of a renewed funding system apply to all services, as do key aspects of our recommended solutions.

- We recognise our nation’s founding document Te Tiriti o Waitangi underpins our current legislative and regulatory settings, and our curriculum Te Whāriki, unique in Aotearoa - upholds the mana of our tamariki.
- We acknowledge the life-long benefits to tamariki and whānau of attending high quality ECE are well documented as are the wider benefits to society.
- We agree early childhood education (ECE) is a public good - in the same way schooling is a public good.

We are mindful the MAG is assessing the information it has received and developing its advice to the minister. Our solutions to meet the outcomes the government is seeking are a genuine offer to the MAG’s deliberations.

We have attached the ‘*Principles and approaches to funding ECE services*’ paper developed by Dr Linda Mitchell, Retired Professor and Honorary Fellow, University of Waikato and Dr Aisling Gallagher, Senior Lecturer in Geography, School of People, Environment and Planning Massey University Manawatū for your reference. We understand that Linda and Aisling presented the paper to the MAG in December. As you know, the paper discusses and appraises research-based evidence on principles and approaches to funding ECE services that have been used internationally and in Aotearoa New Zealand. The paper provides detail and context to the solutions we present here.

We are happy to meet with you and the MAG to explore our solutions further and model the impact on government settings, on services, and importantly for tamariki and whānau.

Public funding to ECE is an investment worth making: it contributes directly to achieving the government’s broader aims for education and provides significant returns to the government and to our society. We need to ensure those benefits are realised through the provision of high quality early childhood education. There is simply no value in government minimising or ‘trading off’ quality standards - to do so is a lost opportunity to enhance educational outcomes for every child and for Aotearoa, and for tamariki to thrive.

⁵ ECE Funding Review: Ministerial Advisory Group. Terms of Reference June 202. pg 5

Please contact me on 027 258 9626 or Sherryll.Wilson@kidsfirst.org.nz if you would like any further information or clarification.

Ngā mihi mahana ki a koe



Sherryll Wilson, Chief Executive Kidsfirst Kindergartens on behalf of:

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