

Hon Jan Tinetti

Minister of Education

PRESS RELEASE

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Hon Jo Luxton

Associate Minister of Education

Cheaper Childcare: 20 hours free ECE extended to two-year-olds

- Extending 20 hours free Early Childhood Education to two-year-olds
- Saving of up to \$133.20 a week for parents
- Continuing pay parity for ECE teachers; up to 18.6 percent pay increase
- 5.3 percent increase in funding for ECE centres in recognition of rising cost pressures
- Extra support for Playcentre Aotearoa
- Free school lunches continues
- 300 more classrooms
- Extra support for students in need

Budget 2023 invests heavily in early childhood education, making it cheaper, more widely available, and boosting the pay of early childhood teachers.

“This Budget helps ease cost of living pressures by significantly reducing the cost of early childhood education for parents by extending 20 hours free ECE to two-year-olds,” Jan Tinetti said.

“Childcare is one of the biggest costs families face, so extending 20 hours free ECE to two-year-olds will make a big difference.

“Based on average costs in 2023, families who were not previously receiving childcare subsidies would save an estimated \$133.20 a week in childcare costs if a two-year-old child attended ECE for at least 20 hours a week.

“This is a win-win for families with young children; it will reduce costs, remove barriers to early learning and allow parents to return to work or take on more hours if they can. It also recognises the fact that children who are involved in quality early learning benefit in many ways, including later in life.

“We are also increasing the rate of the subsidy and introducing additional conditions to help ensure the full value of the 20 Hours ECE subsidy is passed on to parents. This will enhance fee transparency for parents, helping them be better informed when choosing a service.

Extension of the 20 hours free ECE subsidy comes at a cost of \$1.2 billion over four years and will be available from 1 March 2024.

“We are also making an additional \$322 million available to ECE services to lift the pay for teachers to help them move towards parity with their counterparts in kindergartens,” Jan Tinetti said.

“In some circumstances this could amount to increases of \$14,762 or 18.6 percent.

“This is not just an issue of fairness. The sector has told us that inequitable pay between comparable roles causes a range of issues for education and care services, such as teacher shortages and staff retention,” Jan Tinetti said.

Services that opt-in to the full parity funding rates will be able to access this extra money for their staff from 1 November 2023. The full parity funding rates match the kindergarten funding rates and require opted in services to pay their teachers the full kindergarten pay scale.

This extra money for teachers in education and care services builds on \$587 million in total that has already been provided to services for pay parity in the previous three Budgets. As of March 2023, 54 percent of education and care centres have opted into extended parity funding rates and 36 percent into parity funding rates.

An increase in funding in recognition of the cost pressures

“There is also an increase to early learning subsidies, in recognition of the cost pressures services are facing,” Associate Education Minister Jo Luxton said.

“From 1 January 2024 there will be an increase of 5.3 percent to subsidies for playcentre, kōhanga reo and home-based ECE services. Subsidies for kindergartens and education and care services will also be adjusted, but not by as much given the significant investment for staffing in these services through this Budget.

“The increase is also being applied to the targeted ECE subsidies, Equity Funding and Targeted Funding for Disadvantage. These funds have the dual aims of improving access to and quality of ECE.

“These subsidy increases, costing \$260 million in total over four years, will help early learning services meet rising costs and thereby reduce the need to raise fees for parents and caregivers,” Jo Luxton said.

Support for Playcentre Aotearoa

These subsidy increases also include a one-off grant of \$3 million to support the sustainability of Playcentre Aotearoa, the service provider for playcentres. Playcentre offers a unique, parent-led service, providing ECE to over 9,000 children.

“We’re backing ECE because we know how critical it is to the long-term success and wellbeing of our children. These investments lays the foundation for a strong and thriving early childhood education sector that is more affordable for parents,” Jo Luxton said.

Free school lunches continues

Ensuring children who experience the greatest socioeconomic barriers to education are fed is a top priority. Being hungry is a major impediment to learning, so the Ka Ora, Ka Ako - Healthy School Lunch Programme is being continued to the end of 2024.

Ka Ora, Ka Ako has helped reduce food insecurity for children and young people since 2020, by providing daily school lunches to approximately 220,000 students at 987 schools. This programme has been estimated to save a family with two students, on average, \$60 per week.

More school buildings

“Over the two terms of this Government we have invested heavily in school infrastructure, to the tune of over \$3 billion prior to this year’s Budget. We want our children in schools to have the best quality classrooms, school halls, playgrounds and other facilities,” Jan Tinetti said.

“Budget 2023 includes \$1.2 billion in new infrastructure expenditure over a five-year period.

“We’re continuing to expand the School Property Portfolio by delivering roll growth classrooms and new schools in accordance with the National Education Growth Plan.

“This will deliver approximately 300 more classrooms and up to four schools. This will add approximately 6,600 student places to the School network,” Jan Tinetti said.

Extra support for students in need

Budget 2023 targets more support to those students who need it most, whether for reasons of financial pressure, particular learning needs or other factors that keep them from achieving their full potential.

“There is a significant boost in funding for Alternative Education, to better support a group of students to re-engage in learning. Budget 2023 provides more than \$41 million over a five-year period for this. This includes an increase to the ‘per place rate’ by 30 percent and to develop and implement localised responses to support primary and intermediate aged students,” Jan Tinetti said.

Budget 2023 also provides \$40 million for Learning Support Coordination in kaupapa Māori and Māori schooling. This will strengthen teaching practice, supports and systems in a way that will benefit students with learning support needs in kaupapa Māori and Māori medium education settings. Importantly, this funding will provide resourcing for the Māori-led design and delivery of specialised plans to support the needs of ākonga Māori in partnership with whānau.

There is also \$147 million for the purchase and installation of modifications in schools to allow access for all. This includes automatic doors, lifts, fencing, hoists and bathroom modifications over a period of two years. This is required to meet the increased volume in demand for such modifications (up 190 percent from 2016 to 2021).

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