

APPENDIX

EDUCATION AND TRAINING ACT 2020

548 Funding of certain early childhood services and certified playgroups

- (1) In each year, out of money appropriated by Parliament,—
- (a) the service provider of every licensed early childhood service—
 - (i) must be paid general grants; and
 - (ii) may be paid 1 or more discretionary grants; and
 - (b) the service provider who operates a certified playgroup—
 - (i) may be paid general grants; and
 - (ii) may be paid 1 or more discretionary grants; and
 - (c) the management of any body corporate may be paid a discretionary grant for the purpose of establishing a licensed early childhood service or certified playgroup.
- (2) The amount of every grant must be determined by the Minister.
- (3) The Minister may determine the means by which the amounts of grants may be calculated or ascertained, and—
- (a) different means may be determined in respect of—
 - (i) grants of different classes or descriptions; and
 - (ii) licensed early childhood services of different classes or descriptions and certified playgroups; and
 - (b) the amount of any grant may be determined accordingly; but
 - (c) nothing in this subsection limits or affects the Minister's power under subsection (2) to determine the amount of any grant.
- (4) Without limiting subsection (3), the Minister may determine that no grant is payable in respect of any international student attending a licensed early childhood service.
- (5) Any grant—
- (a) may be paid unconditionally, or subject to any conditions the Minister specifies in writing when the grant is paid or earlier; and
 - (b) may be paid to be used for any purpose the service provider thinks fit, or for only the purposes that the Minister specifies in writing when the grant is paid or earlier; and
 - (c) may be withheld in whole or in part if the service provider fails to comply with any regulations made under section 636 or 637 or any conditions of the licence or certificate.
- (5A) Subsections (5B) and (5C) apply to conditions or purposes—
- (a) specified under subsection (5)(a) or (b); and
 - (b) that relate to employment matters (for example, remuneration).
- (5B) Those conditions or purposes may be specified by the Minister to help achieve aims that are, or include, employment relations aims.
- (5C) Those aims may, but need not, also be specified by the Minister.
- (6) The service provider must ensure that,—
- (a) where a grant has been paid subject to conditions, the conditions are complied with; and
 - (b) if a grant has been paid to be used only for purposes specified by the Minister under subsection (5)(b), the grant is used only for those purposes.

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Waitangi Tribunal

24 Sep 25

Ministry of Justice
WELLINGTON

ECE FUNDING HANDBOOK

Chapter 3 The ECE Funding Subsidy

3-A-1 Funding eligibility

Introduction

This page outlines the eligibility conditions for the ECE Funding Subsidy.

Licensed services receiving the ECE Funding Subsidy must meet these conditions at all times.

Chapter 4 contains eligibility requirements for 20 Hours ECE.

Additional Compliance

In addition to the rules in this handbook, ECE services must also comply with relevant legislation, such as:

- the Education and Training Act 2020
- the Education (Early Childhood Services) Regulations 2008
- Inland Revenue legislation, rules and regulations
- health and safety legislation.

Failure to comply may in some cases affect your funding payments.

Eligible services

Early childhood education services are eligible for the ECE Funding Subsidy if they are:

- licensed **and**
- open for at least one continuous period (session) of 2.5 hours per week.

Sessional services operating a session of 2.5 to 3 hours will receive funding for 3 hours.

Eligible Children

Funding **can be claimed only** for children who fill a child-place and are less than 6 years of age.

Funding cannot be claimed for:

- children enrolled in school
- conditionally enrolled children who do not attend
- casually enrolled children who do not attend.

Child places

Each service is licensed to provide early childhood education to a maximum number of children at any one time.

This is called the number of 'child-places' that the service may provide.

3-A-1 Funding eligibility, continued

Dual Enrolments

Children may be enrolled at more than one early childhood education (ECE) service **but funding cannot be claimed by two services for the same hours of attendance**. Parents/guardians must attest that their child is not enrolled at another service for the same times (See **Section 6-1** for further details on enrolment records).

In a dual enrolment situation, funding may be claimed only by the service at which the child was present.

Dual enrolments – Te Aho o Te Kura Pounamu - Correspondence School (Te Kura)

Children enrolled at Te Kura may be funded at another ECE service for **up to eight hours per week**.

ECE services must note this arrangement on the child's enrolment agreement (see **Section 6-1** for further details on enrolment records).

Chapter 4 20 Hours Early Childhood Education

4-1 Funding eligibility

Introduction

This section outlines the eligibility conditions for:

- services eligible to provide 20 Hours ECE
- children eligible to receive 20 Hours ECE.

All services offering 20 Hours ECE and all children receiving 20 Hours ECE must meet the eligibility conditions at all times.

Eligible services

Early childhood education services are eligible to offer 20 Hours ECE if they:

- are licensed **and**
- are open continuously for at least one session of 2.5 hours per week **and**
- meet all 20 Hours ECE funding rules.

Services offering 20

Hours ECE

Services offering 20 Hours ECE must offer 20 Hours ECE to all eligible children.

Services must not offer 20 Hours ECE only:

- to some eligible children and not to other eligible children
- on particular days of the week
- for particular hours of operation.

Note: The number of hours of 20 Hours ECE that a service can offer each child will depend on the service's hours of operation, the space available at the service and the child's hours of enrolment.

Eligible Children

20 Hours ECE funding can only be claimed for children who fill a child-place and are, three, four or five years of age.

Funding cannot be claimed for:

- children enrolled in school
- conditionally enrolled children who do not attend the service
- casual bookings made for children who do not attend the service

4-1 Funding eligibility, Continued**When to begin claiming**

A child's eligibility for 20 Hours ECE begins on their third birthday.

Services may begin claiming 20 Hours ECE funding for a child on their third birthday.

When to stop Claiming

A child's eligibility for 20 Hours ECE ends on the day before their sixth birthday or their last day of attendance before they start school, whichever comes first.

Childcare Subsidy and 20 Hours ECE

The Ministry of Social Development, Work and Income provides a range of support for childcare costs, which include the Childcare Subsidy and Guaranteed Childcare Assistance Payment.

Children receiving 20 Hours ECE cannot receive childcare assistance from Work and Income for the hours of 20 Hours ECE. The only exception is when home-based educator top up payments are applied

for the hours of 20 Hours ECE. Families may be eligible for childcare assistance from Work and Income to help with the cost of home-based educator top up payments.

Further information on childcare assistance can be found on the Work and Income website or call 0800 559 009.