

Budget Factsheet – ECE changes -- information for parents

Quality early childhood education (ECE) has positive educational outcomes for all children.

The Government is expecting to spend \$1.3 billion on early childhood education in 2010/11, up \$107 million on 2009/10 expenditure. The taxpayer's contribution in this sector has risen from \$428 million in 2004/05 to \$1.17 billion in 2009/10.

In a tight fiscal environment, this level of growth in spending is unsustainable, and it is still not reaching some of the children who need it most.

Generally, 95% of all new entrants have had some ECE when they start school, but the figure is much lower for Māori and Pasifika children (91% and 85% respectively). This figure varies according to the region. For example, in Counties Manukau last year, one in four Māori children starting school had not participated in ECE. Children entering lower-decile schools are also much less likely to have participated in ECE than their peers entering higher-decile schools.

Budget 2010 for ECE is focussed on targeting spending where it is needed most, to achieve Government's goal of increasing opportunities for all children to participate in quality early childhood education.

What are the key changes for ECE in this year's Budget?

- \$91.8 million will be invested over four years to increase ECE participation.
- \$46 million will be invested over four years in a 2.4% increase to non-teacher costs in the ECE funding rates.
- \$34.9 million will be invested over four years to support the recognition of primary and overseas ECE qualified teachers, and to support ECE services to meet teacher registration targets.
- From February 2011, the funding incentives for ECE services to have more than 80% registered teachers on their staff will be removed. This aligns the funding with the registered teacher targets for 2012 and will contribute to net ECE savings of nearly \$280 million over four years.

What are the changes to 20 Hours ECE?

The Government is retaining and expanding the *20 Hours ECE* policy. From 1 July 2010, all playcentres and kōhanga reo can offer *20 Hours ECE*, and 5-year-olds will be eligible.

Which children will receive the \$91.8 million extra participation support?

Most of this support will be targeted to areas where there are large groups of non-participating children, who are statistically most likely to be Māori, Pasifika, or from lower socio economic status backgrounds.