



Office of Hon Anne Tolley

Minister of Education
Minister for Tertiary Education

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Education Review Office

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EARLY CHILDHOOD EDUCATION FUNDING RATES FOR 2009/10

Today's Budget is good news for early childhood education. We have delivered on our pre-election commitment to expand 20 hours ECE to Playcentres and Te Kōhanga Reo, and to remove the unnecessary daily limit on access to 20 hours ECE.

You will have noticed that this year's Budget announcements did not include announcement of new ECE funding rates for the coming financial year. This letter is to assure you of my intentions for funding rates next year, and to explain what will happen next.

It is my firm intention that all ECE funding rates will receive an inflation increase effective 1 July. Funding has been set aside for this increase. Like recent inflation increases, this increase will reflect changes in costs other than the cost of teachers. I intend the inflation increase will be the same as the 1.95 percent increases announced today for schools and tertiary education. Some funding rates will also increase to reflect funding set aside in previous Budgets for increasing teacher costs.

I will be taking proposals to Cabinet within the next two weeks to confirm this inflation increase. New rates will be announced before 1 July. In the interim the current ECE funding rates will continue to apply.

It is unfortunate that new rates could not be announced in Budget 2009. The reason for the delay is that the Ministry of Education found that it made a mistake in calculating some funding rates announced in Budget 2008. This mistake meant that those funding rates are now higher than they should be. This mistake also meant that we were unable to set funding rates in time to be announced today. The Ministry has apologised to me for this mistake, and has assured me it is making changes to ensure that similar mistakes will not happen again. A full statement from the Secretary for Education is available on the Ministry's website: www.minedu.govt.nz.

Yours sincerely

Hon Anne Tolley
Minister of Education