National Council of Women of New Zealand
Te Kaunihera Wahine o Aotearoa

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MAKING EQUALITY REALITY

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S26.12

Submission to the Ministry of Education on the Early Childhood Education (ECE) Funding System

Introduction

1. The National Council of Women of New Zealand, Te Kaunihera Wāhine o Aotearoa (NCWNZ) is an umbrella group representing around 60 affiliated organisations and 300 individual members. Collectively our reach is over 200,000 with many of our membership organisations representing all genders. NCWNZ has 12 branches across the country.
2. NCWNZ's vision is a gender equal New Zealand and research shows we will be better off socially and economically if we are gender equal. Through research, discussion and action, NCWNZ in partnership with others, seeks to realise its vision of gender equality because it is a basic human right.
3. This submission has been prepared by the NCWNZ Submissions Coordination Committee. It draws on feedback from NCWNZ's Education Action Hub members and existing NCWNZ policy and previous related NCWNZ submissions.

Executive Summary

4. NCWNZ is pleased to respond to The Early Childhood Education (ECE) Funding System Ministerial Advisory Group (MAG) consultation on possible change/s to how the Government spends $3 billion each year on ECE.
5. We acknowledge that the MAG was established by Associate Education Minister, Hon David Seymour, with members of the MAG appointed by the same.
6. We note that no member of the MAG is a qualified ECE teacher, but that three members "operate or represent commercial childcare centre providers."[1]

[1] Ministry of Education. Aug 2026. Members of the Ministerial Advisory Group – early childhood education funding system review. https://www.education.govt.nz/our-work/strategies-policies-and-programmes/early-learning/ministerial-advisory-group-early-childhood-education-funding-system-review/members-ministerial-advisory-group-early-childhood-education-funding-system-review

7. We also note the three major problems with the current ECE system identified by the MAG:

    a. Some families face barriers to get the amount and type of ECE they want for their tamariki;

    b. Variation in the quality of ECE means it may not deliver all the benefits it can for children and whānau, particularly those who could benefit most; and

    c. Government and whānau do not have enough information about ECE and the value it delivers for tamariki, whānau and society.[2]

8. Additionally, NCWNZ notes that the 2025 budget funding increase for ECE was set at 0.5%, which is well out of alignment with the inflation rate of 2.5% at the time.[3]

9. NCWNZ is disquieted to learn that factors that enhance quality of service provision and safety of tamariki and ECE staff - such as improved adult:child ratios, and higher teacher pay - are not included in the scope of the review due to perceived unaffordability. We question the value of a review that does not address what they consider the real issues faced by the ECE sector – employing qualified teachers and appropriately funding the sector.

10. NCWNZ is aware that the review's stated purpose is to make cost-neutral recommendations. However, we find that the stated goal of supporting high quality education provision does not align with a fiscally-neutral review, and we question the feasibility and value of a review whose scope is limited to an exploration of ways to move money around within existing ECE funding parameters.

11. Spending approximately $3.85 million to investigate potential trade-offs between quality and affordability would seem a wasteful use of taxpayers' money and an exercise in futility.

12. NCWNZ questions the lack of a proposal for transparency of service providers that would allow parents and taxpayers to view individual financial accounts, and to see how public funding is being used, including how much profit is retained by service providers.

13. NCWNZ also questions the absence of Playcentre and Te Kōhanga Reo services from the scope of the review.

14. NCWNZ acknowledges the critical value of investment in a child's first 1000 days as foundational to long-term positive health and wellbeing for individuals. Equitable access

[2] Ministry of Education. June 2026. Consultation on the early childhood education funding system. https://www.education.govt.nz/have-your-say/consultation-early-childhood-education-funding-system/details

[3] Early Childhood NZ. May 2025. The growth budget that starves Early Childhood Education! https://www.ecnz.ac.nz/articles/news/budget-starves-ece

to, and delivery of, quality early childhood education are vital components of these first 1000 days of a child’s life.

15. We maintain our concern that early childhood education is becoming a commercial industry rather than a service operated as a public good.

16. NCWNZ is aware of the alarms being raised by MPs and those connected to the ECE sector in Australia, with warnings of corporatisation and poor regulation of the ECE sector leading to unsafe conditions for both children and staff in ECE services.[4]

17. In addition, NCWNZ members note with concern the proposed removal of progress made on pay parity, and the creation of a single pay-progression system across all service types.

18. We note the skilled role of the ECE teacher, and thus expect appropriate remuneration for delivery of professional quality education services, which is not possible without appropriate remuneration for all grades of ECE teacher, as well as the provision of supportive work conditions for ECE teachers and employees.

19. NCWNZ believes the starting point for a funding review of the ECE sector should be acknowledging ECE as a critical early years education service rather than a daycare provider.

20. We believe it is vital that quality education and safety of tamariki and ECE staff remain at the centre of the review. Training and retention of qualified staff who are supported with appropriate funding to ensure the delivery of quality ECE education in healthy ECE work environments must underpin the funding review. The reality is that this will mean an expansion of funding allocated to ECE.

21. Without an increase of funding, NCWNZ considers the goals of the current review unrealistic and unachievable, particularly since the ECE sector has been neglected and underfunded for some time. The sector requires urgent intervention and funding at a level that can ensure consistent and equitable access to quality education, and in order to offer a valued and well-remunerated career for appropriately trained and qualified teachers.

22. In short, NCWNZ wishes to see the current review dismissed and replaced with a review that acknowledges the fundamental issues/current needs of the ECE sector; one that genuinely seeks to create an appropriately-funded early childhood education service offering an equitable, accessible, consistently high quality of service across the range of ECE service-providers available in Aotearoa New Zealand.

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[4] Early Education NZ. July 2026. Australia Is Sending New Zealand a Warning on Early Childhood Education. https://www.ecnz.ac.nz/articles/news/aus-sending-nz-a-warning-on-ece

23. Market-led factors, business-owner and shareholder profit should not be a consideration in decisions relating to the provision of education services. Instead, NCWNZ believes that equitable access to quality ECE must be the right of every whānau and should be valued and funded as a public good and benefit to society.

Background

24. NCWNZ has an extensive history of advocating on education matters, and is a firm supporter of equitable access to quality early childhood education. For example, the organisation's Resolution 5.4.1 from 1898 "that free kindergarten schools should be established throughout the colony."[5]

25. NCWNZ's 2024 submission (S24.11) to the Education and Workforce Select Committee on the Education and Training Amendment Bill acknowledges "the gradual shift over recent years that has seen the ECE sector become a for-profit business sector … (and provide) an opportunity for business owners and investors to prioritise profit over children's wellbeing."[6]

26. Additionally, we refer to paragraph 27 of the same submission: "ECE has been described as a sector in crisis, with an environment that is harmful for both children and staff. Low pay, staff shortages, precarious and stressful working conditions for staff, coupled with adult:child ratios not fit for purpose, are all factors that have led to dangerous and sometimes illegal situations for staff and children."[7]

Concerning Omissions

27. NCWNZ is concerned at the omission from the scope of the review Te Kōhanga reo and Playcentre services. The explanation given in the Funding Review Terms of Reference is as follows: "Funding available only to playcentres (sic) and kōhanga reo is out of scope. This is due to these service types either not being so closely linked to labour market participation or because of their main focus being on Māori language revitalisation."

28. We find this explanation perplexing. These services are longstanding, nationally significant, valuable, and highly-regarded ECE services that both receive Government funding. Removing any service from the scope of the review has the potential to diminish equity and choice for parents and whānau when choosing an ECE provider for their tamariki.

29. NCWNZ also shares the concerns of Kindergartens Aotearoa, who describe two further omissions: "The consultation document is silent on two vital elements of the funding

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[5] National Council of Women of New Zealand, Resolutions 1896-2020. https://www.ncwnz.org.nz/resolutions

[6] National Council of Women of New Zealand, Submissions. https://www.ncwnz.org.nz/submissions

[7] National Council of Women of New Zealand, Submissions. https://www.ncwnz.org.nz/submissions

picture. It fails to quantify how much public funding to ECE services is diverted into corporate profits, and it fails to set out how much parents and whānau are already paying in fees to bridge the funding gap."[8]

30. Spokesperson for Kindergartens Aotearoa, Amanda Coulston, continues: "Parents and whānau spend significant amounts on fees and yet there is no information in the document on exactly how much is spent on fees. Moreover, a sizable portion of the millions of dollars we as taxpayers contribute to ECE services never makes it into supporting teaching and learning…While looking for savings in one area at the expense of another, the group failed to mention or explore the amount of funding corporate ECE service providers take out of the system as profits and returns to shareholders. Arguably, if there was no or a limited profit imperative, we would have some hundreds of millions of extra taxpayers' dollars to relieve or lower parent fees and to ensure provision of high-quality services across all communities."[9]

31. In addition, there have long been calls from across the ECE sector for updated adult:child ratios, citing lack of safety with current ratios, and many reporting breaches due to lack of teacher numbers.[10] Bewilderingly, this issue has not been included within the scope of the review. While acknowledging the increase to quality service delivery that improved ratios would bring, the matter has not been included due to perceived lack of affordability.

32. NCWNZ notes the opinion shared by The Office of Early Childhood Education (OECE): "Across teacher-led early childhood services ratios with children is already a huge concern for children's safety and quality of education, and the MAG's proposal would heighten risks."[11]

Addressing the Real Issues: Appropriate Funding; Valuing the ECE Workforce; Qualified Teachers = Quality Education

33. NCWNZ members have expressed firm views on the need for qualified teachers in all ECE settings, and the need for the review to retain a focus on child development and education outcomes. For example:

[8] Kindegartens Aotearoa. July 2026. Simply shifting money around won't fix the problem. https://kindergartensaotearoa.org.nz/blog/simply-shifting-money-around-won-t-fix-the-problem/

[9] Ibid. https://kindergartensaotearoa.org.nz/blog/simply-shifting-money-around-won-t-fix-the-problem/

[10] Office of Early Childhood Education. 2023. The Quality of Early Childhood Education: 2023 Survey Results. https://oece.nz/public/information/reports/survey-ece-quality-provided-to-children/

[11] Office of Early Childhood Education. July 2026. ECE Funding Review: What the MAG Wants to Axe, Where the Money Will Go, and Who Is Making the Decisions. https://oece.nz/newsroom/announcements/ece-funding-review-questions-concerns-submission/

a. "Early childhood education is a priority for our children and for this reason I consider that there should be a high percentage of fully trained teachers in each centre. The profession needs to [be] highly-regarded and therefore well-funded to ensure the best outcomes for all children, but in particular those who are disadvantaged in some way."
b. "Critical to (ECE) is having degree qualified teachers. Experience and qualifications should be recognised and remunerated appropriately and equally with kindergarten teachers.

34. One member suggests an expansion of funding to create a connection of early years health and education services. "I believe it should be simpler for families to access health and educational support that their tamariki need. Health needs and educational needs are tied together, so I think that it would be advantageous for ECE centres to work more closely with health providers such as Plunket nurses, hearing and speech therapists, etc. ECE centres need to work towards providing a wrap-around service, a one-stop-shop if possible for the health and educational wellbeing of our tamariki. The funding system should be expanded to meet this demand."

35. With regard to Government support for a sustainable ECE workforce, members urge protection of the health of the ECE workforce, where they consider "health is being undermined by an over-crowded and ill-equipped working environment."

36. With regard to increasing information and system transparency, one member has called for "improvements in [Education Review Office] ERO visits to eliminate safety risks to children."

37. Commenting on the option to increase daily funded hours from 6 to 8, another member believes it would be appropriate to first address how and why the quality of ECE needs to be improved before the limit is increased.

Pay Parity; Teacher Pay Funding

38. NCWNZ believes the MAG's proposal to halt pay parity is a backward step for ECE staff, and detrimental to the ECE sector as a whole. We read with alarm the following from The Office of Early Childhood Education (OECE):

    a. "The MAG proposes removing all progress made on pay parity since 1 January 2022. This mirrors the Early Childhood Council's submission to the regulatory review, which argued that pay parity "unreasonably regulates employment conditions and increases costs for providers.""

    b. The MAG's proposals also include:

i. “Returning teacher pay funding to pre-2022 settings, eliminating the pay parity steps introduced for education and care teachers.

ii. Creating a single pay progression system across all service types, including kindergartens, effectively removing kindergarten teachers’ long-standing pay parity with primary school teachers, first achieved in 2002.”[12]

39. NCWNZ finds these proposals misguided, and agrees with the OECE that “These changes would significantly reduce government investment in an ECE teacher qualified workforce, undermine teacher retention, and risk returning many qualified, experienced teachers to pay levels close to the NZ minimum adult wage – as situation common in the sector before 2022.”[13]

Warnings from Australia

40. NCWNZ has followed with interest - and some anxiety - the investigations into the ECE sector in Australia that have uncovered serious systemic failures in the country’s ECE and childcare sector. “The investigations revealed cases of neglect, inadequate staffing, poor regulatory oversight, and serious concerns about child safety.”[14]

41. We note the work of New South Wales Greens MP, Abigail Boyd, to instigate a state parliament inquiry into the ECE and childcare sector.[15] The initial inquiry was followed by a national parliamentary inquiry. We urge Ministry of Education personnel to examine this inquiry and read its findings. Many of the concerns relate to poor and under regulation of the sector, and proliferation of large corporate for-profit ECE services. NCWNZ further encourages Ministry of Education personnel to watch the two ABC Four Corners documentaries that inspired the inquiry.[16]

42. Ms. Boyd has commented on New Zealand’s ECE funding review, expressing her concerns at the idea that quality needs to be balanced with costs. “The same things that create a safer centre are the same things that create a better quality centre, so having enough staff to actually focus on children and be able to give them a good education, that’s the same thing that you need in order to keep children safe and make sure you’ve always got a pair of eyes on every child.”[17] She is also clear on the role of corporatisation

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[12] Office of Early Childhood Education. July 2026. ECE Funding Review: What the MAG Wants to Axe, Where the Money Will Go, and Who Is Making the Decisions. https://oece.nz/newsroom/announcements/ece-funding-review-questions-concerns-submission/

[13] Ibid. https://oece.nz/newsroom/announcements/ece-funding-review-questions-concerns-submission/

[14] Early Childhood New Zealand. July 2026. Australia Is Sending New Zealand a Warning on Early Childhood Education. https://www.ecnz.ac.nz/articles/news/aus-sending-nz-a-warning-on-ece

[15] Parliament of New South Wales. Early childhood education and care sector in New South Wales. https://www.parliament.nsw.gov.au/parliamentary-business/committees/inquiry-details?committeeInquiryId=3098

[16] ABC News. Nov 2025. The ABC's explosive childcare investigations began with an email. https://www.abc.net.au/news/2025-11-28/four-corners-childcare-safety-investigation-profit-abuse/106054128

[17] Newsroom. April 2026. Australian childcare abuses a wakeup call to NZ – politician. https://newsroom.co.nz/2026/04/21/australian-childcare-abuses-a-wakeup-call-to-nz-politician/

of the ECE sector, saying “private equity involved in any care industry is incompatible with quality care. Whether it’s at the end of people’s lives or it’s right at the beginning of their lives, the risks are just too high and we’ve seen that in Australia.””[18]

Conclusion

43. NCWNZ members urge consideration of the ECE sector as a crucial foundation in an individual’s life, supporting healthy child development that establishes a pathway for lifelong learning and wellbeing.

44. We further urge consideration of the early childhood education sector as a public good and benefit to society.

45. NCWNZ believes it makes sound economic sense to invest in an individual’s early developmental years, especially the first 1000 days; thus, it is imperative to provide the appropriate funding to ensure delivery of quality ECE services.

46. We find that a fiscally-neutral review of funding of the ECE sector is unrealistic, and deplores the use of taxpayer money for a money-shuffling exercise that ignores the critical issues, such as inappropriate adult:child ratios and inadequate teacher pay that are impeding delivery of quality ECE.

47. NCWNZ maintains its concerns about the growth of corporatisation in the ECE sector, which has the potential to lead to unsafe conditions for tamariki and staff in ECE services as has been shown in Australia.

48. NCWNZ wishes to see the current review dismissed and replaced with a review that genuinely seeks to create an appropriately-funded early childhood education service that offers an equitable, accessible, consistently high quality of service across the range of ECE service-providers available in Aotearoa New Zealand.

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[18] Newsroom. April 2026. Australian childcare abuses a wakeup call to NZ – politician. https://newsroom.co.nz/2026/04/21/australian-childcare-abuses-a-wakeup-call-to-nz-politician/