



**Te Tāhuhu o
te Mātauranga**
Ministry of Education

NOT MAG / GOVERNMENT POLICY

2025 Early Childhood Education Funding Review Ministerial Advisory Group

Initial Overview of ECE Equity and Targeted Funding

Proactively Released

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Introduction

Purpose of this initial paper

In July 2025, the Government established Ministerial Advisory Group (the Group) to conduct a review of funding for Early Childhood Education (ECE). The Terms of Reference (ToR) notes that the Group will provide advice on *“How funding could be allocated to provide for equitable outcomes for children facing education and access barriers.”*

This paper provides the Group with initial information to respond to the Group’s request for information and advice about small, discrete targeted and equity funds. It focuses on the funds administered by the Ministry of Education (the Ministry) and the Ministry of Social Development (MSD). It suggests initial considerations for reviewing the suite of targeted funds and gives an overview of each funding initiative and the relationship between these various funds.

The small, discrete targeted and equity funds discussed in this paper sit within a broader set of universal and targeted funding mechanisms, including 20 hours ECE, the Childcare Subsidy (CCS) and FamilyBoost, that are used to support access and affordability. Targeted and equity funding is the current system’s approach to improve access and participation in ECE for children who may face greater barriers to doing so. Targeted and equity funding also provides support for ECE services that have a strong culture and language focus in their delivery. The Ministerial Advisory Group has previously received separate papers about the largest targeted funds (the Childcare Subsidy and FamilyBoost), and about 20 Hours ECE, and as such they are not discussed in this paper.

To support clarity and comparison between initiatives, descriptive information is presented in a comparative table designed to highlight similarities, differences, and gaps, enabling easier identification of patterns and areas for improvement. The two targeted funds administered by MSD (i.e. the Early Learning Payment and Guaranteed Childcare Assistance Payment) are also included in the table.

This initial paper does not provide an in-depth analysis of the impact or issues associated with each fund. We will provide a second paper in February 2026 that will respond to the other parts of the Group’s commissioning, which will set out:

- how funds are being used from existing accountability measures;
- the cumulative impacts of targeted and equity funds for services that are receiving multiple funds; and
- key issues for each fund.

The role of Equity and Targeted funding

Equity and targeted funding focus on need so that all children can have access to quality early childhood education regardless of their background or circumstances. Some funding also



focuses on language or cultural outcomes, providing additional support for immersion or bilingual ECE services.¹

Currently targeted funding pots contribute to about 3% of the Ministry’s ECE operational funding, a total of \$96,835,871 appropriated to the 2024/25 financial year (Figure 1). In comparison subsidy funding contributes the majority of ECE operational funding distributed by the Ministry.

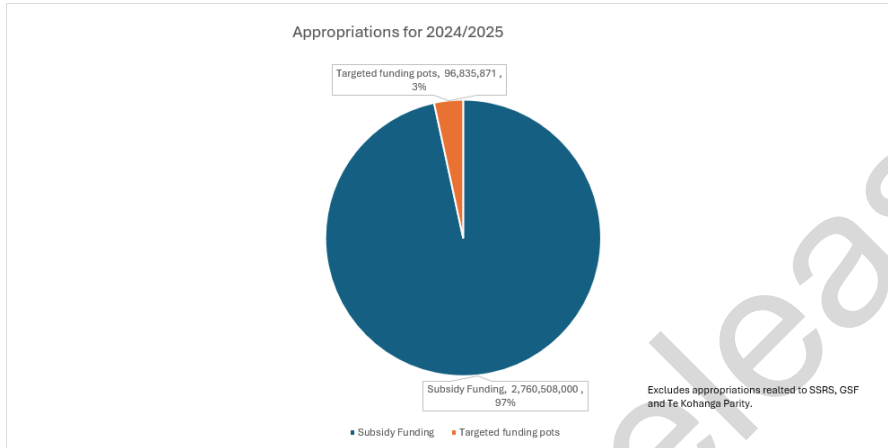


Figure 1. Targeted and equity funding pots are about 3% of the Ministry’s overall ECE operational funding

The Group have previously received advice on MSD funds in the scope of the review. The table includes two of these MSD targeted funds: Early Learning Payment (ELP) and Guaranteed Childcare Assistance Payment (GCAP). Figure 2 provides view of the ELP and GCAP alongside CCS to give a sense of relative proportions.

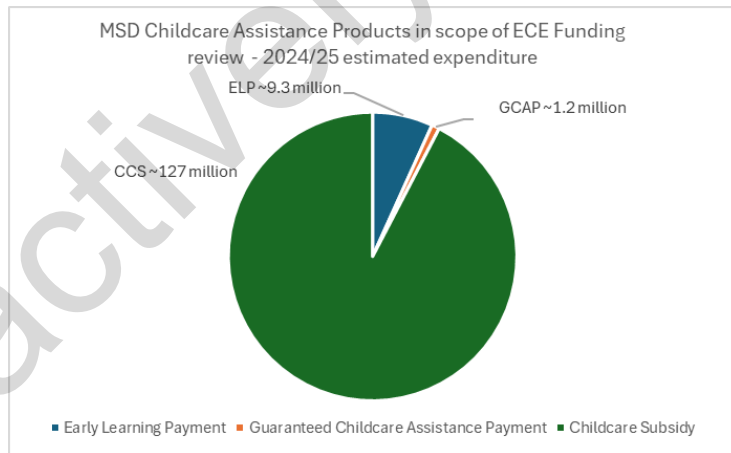


Figure 2 - ELP and GCAP make up a small proportion of MSD Childcare Assistance Products

Equity challenges in education are apparent in the varying participation intensity rates for different population groups, including Māori and Pacific children, disabled children, and children from lower socio-economic backgrounds. Similar equity challenges are observed in

¹ These services enable parental choice for some communities between English medium and language-based services that may better reflect their family’s culture and values. Māori and Pacific bilingual and immersion service types also tend to have higher proportions of families from low socioeconomic areas, compared with other services.



schooling, although a key difference in early childhood education is ensuring affordability of access in a co-funded system.

Disparities persist throughout the education pathway, so supporting children and families early is important. Early support helps to set learners up for successful progress and achievement in schooling and can reduce the need for intervention later on.

Key considerations for Targeted and Equity Funding

Total amount of targeted funding

As shown in figure 1 above, equity and targeted funds make up 3% of Vote Education funding for ECE. There is a question about whether this is the right balance, and what could be achieved through changing this balance vs. improving allocative mechanisms. Even when all MSD childcare assistance products (CCS, ELP and GCAP) is accounted for, the total targeted funding in the broader ECE system remains a small proportion relative to universal subsidies.

Adjustments to targeted funding have also been incremental, depending on each Government's Budgets and priorities. Targeted funding administered by the Ministry is not adjusted regularly, resulting in decline in the real value (or purchasing power) of the funding over time.

The Group may wish to consider adjusting the variation in the level of funding provided across different levels of disadvantage, depending on the design of the new funding system. There is an opportunity to consider targeted and equity funding within the context of the application of the new equity index. The Group has previously received advice on the new equity index and considerations for the shape of its corresponding funding curve.

Additionally, some funding is provided as a fixed amount regardless of service size. The impacts of this depends on whether there are significant differences in size between recipient services.

Complexity

There are 16 small targeted and equity based funds administered by the Ministry of Education, and two administered by the Ministry for Social Development that are in scope of the ECE funding review. Some services and contract providers receive funding from multiple small targeted pots, as they are often targeted on the basis of similar criteria, with duplicate or overlapping objectives.

Equity funding for services target multiple needs through varied allocative mechanisms

For services, there can be multiple complex needs that have been addressed in part through separate funding tagged for particular purposes – language and culture, learning support, isolation, socioeconomic need. To support funding being targeted to areas of greatest need, some of these funds have different rates for lower EQI, higher isolation, or higher levels of language immersion, whereas other similar funds may have a single rate for all services regardless of service size.

Contracting arrangements for Participation Programmes could be simplified

For participation programme providers, there could be multiple contracts with each provider depending on which programmes the provider delivers. Each programme is tailored to slightly different demographics with different corresponding rates, and contract objectives. Each participation programme has multiple providers, but some providers deliver multiple



programmes. One of the three programmes is under-subscribed indicating that it may not be well targeted or provide sufficient funding to be attractive to potential users.

There is an opportunity to consolidate and simplify some of the overlapping funding streams and better utilise the funds in the participation programmes. A single participation programme with different rates if desired for age, ethnicity, and/or low socioeconomic areas would ensure consistency with reporting across these measures, streamline contracting processes and expand programme delivery into new regions through a more integrated and flexible framework.

Funds not keeping up to date with changes in operating context

Funding for TAP has been cut over several budgets due to underspends. Services have been unable to access the fund under the current criteria and conditions, including the expertise needed to initiate and progress capital projects and the requirement for providers to contribute funding. The underspends likely also reflect that TAP is out of date with the current operating context – for example increases in construction costs mean that the level of required co-funding is out of reach for some services. Currently TAP funding is predominantly used by Te Kōhanga Reo National Trust.

If TAP funding is to continue, consideration should be made for determining how to better support individual ECE providers to build a successful and sustainable new service where sufficient need and demand is identified.

In the context of the current market approach to ECE provision, support for the creation of new ECE services/places (TAP) needs to be balanced with support for access to and quality of existing places (as provided for via other targeted funds). In addition, when new services are established, consideration is needed into what additional supports may be required for these services to help them establish in the first few years after opening. Understanding where there is need for ECE that may not be otherwise met by the market could help target this type of funding to provide choices that address the needs of the families and communities they serve.

Puna reo property and Te Kōhanga Reo National Trust Board (TKRNTB) property remediation funding were introduced as part of Budget 2023, as were teaching allowances for immersion and bilingual services.

Allocation and targeting mechanisms are inconsistent

Currently, Equity and Targeted Funding is allocated based on the old EQI model, which is based on outdated data. Similarly, the isolation index has also not been updated since 2001. Under the old EQI model, a service's EQI generally remains static but can change if the service requests a recalculation or relocates. Not all services have an EQI.² This means that funding may not be appropriated allocated according to need.

There are also different approaches in how targeted funding administered by the Ministry of Education is provided. Many targeted funds aimed at disadvantage are automatically granted to centres that meet the eligibility criteria. Some funds, particularly those with a language focus, are application based. Some funding is allocated through contracts.

² Reasons for this can include the time between a new service opening and the regular March or October assessment, or services not having the required address information in ELI to assess an EQI.



We have improved mechanisms for targeting

In recent years, work has focused on modernising systems and developing mechanisms to better target funding toward high-priority groups. New equity and isolation indexes have been developed but not yet implemented. The greater use of these indices to allocate funding likely depends on future decisions to be made as a result of this funding review,

Implementing the new EQI will address these issues by incorporating more variables and using updated IDI data for most services (with proxies for new ones). It will also ensure annual updates for all services to reflect changing circumstances. The new EQI may mean significant one-off funding shifts.

Additionally, the new service types allow a platform for targeting and allocating funding specifically to bilingual and immersion centres. This can be achieved using a variety of mechanisms such as rates, funding applications, contracts or a combination of approaches.

Funds lack a coherent system design

Many funding initiatives were introduced years ago and have not been regularly reviewed to ensure they remain fit for purpose. Additions and adjustments to the suite of targeted funding initiatives have been incremental and ad hoc, rather than part of a coherent system design. The ECE funding review provides an opportunity to reset the approach to the design of targeted and needs-based funding, in the context of wider funding reform.

We have an opportunity to take a more strategic approach to determine the balance between general subsidies and targeted funds, as well as the mix of components within targeted funding. Equity funding criteria and allocative mechanisms could be strengthened to ensure the funding is directed at the service providers supporting children with the greatest needs and contributes to its objectives of improving quality and accessibility.

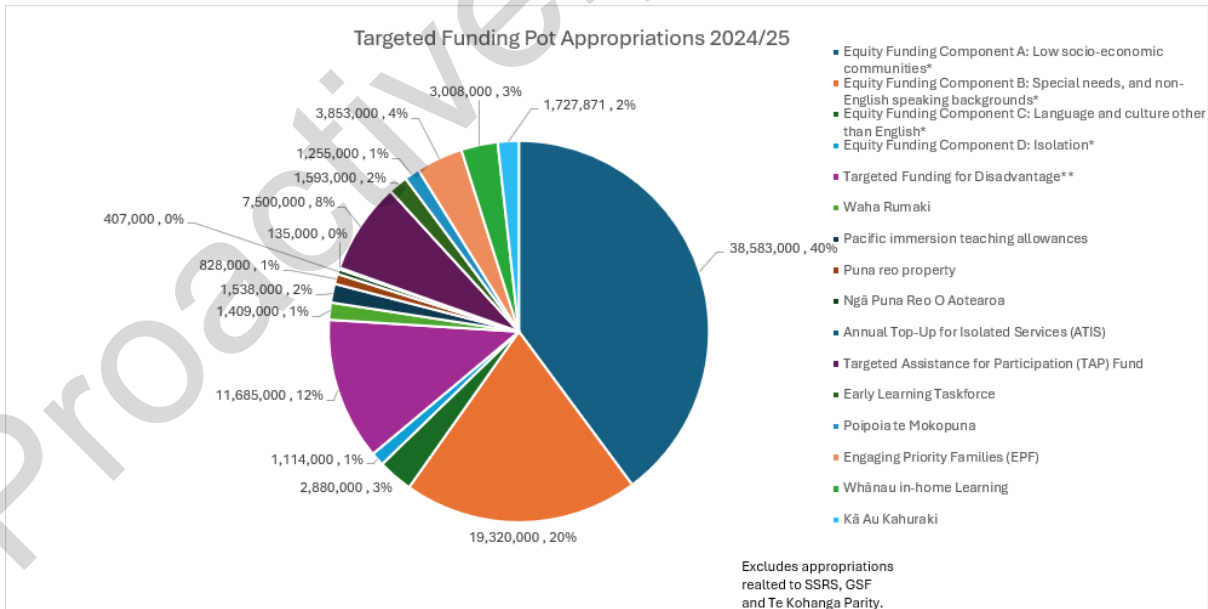


Figure 3. Targeted funding from Vote Education 2024/25 in scope of the review – It does not include the \$10.5 million of targeted funding from MSD.



Better measurement and evidence of impact is needed

The Ministry has accountability information for some Equity and Targeted funds that gives us some sense of how the funding is used. This includes reporting on the Ministry's role in ECE and contractual reporting for some funded programmes.

However, there is little to no process or outcome evaluation of many of the funds administered by the Ministry to inform policy design or provide evidence of impact on outcomes. This makes it challenging to assess the impact and effectiveness of the current system to inform the funding review.

If targeted funding is increased, it would be worth considering what evaluative activities could be undertaken to understand what works to inform best practice, continuous system improvement and future policy design.

Interaction with funding out of scope of the review

There needs to be careful consideration around the intersection between what is in scope for this review and related funding issues that are out of scope. For example, Equity Funding Component B provides additional funding to services in low socio-economic communities, in recognition that a greater proportion of children in these communities have learning support needs or are from non-English speaking backgrounds. Funding for specialist support services and early intervention services³ in the early years is out of scope for the ECE funding review. Learning support has received additional funding in Budget 2025, which will be focused on specialists and other support processes rather than directly funding ECE services.

Certain funds are almost exclusively accessed by Te Kōhanga Reo National Trust Board (e.g. TAP) and Playcentre (e.g. ATIS). Although these services are not in the remit of the review, the effects of any changes to grants on these services should be considered. This could be looked at alongside whether any grant should have proportions ring fenced for particular service types.

Policy choices and considerations have trade-offs

Any changes to the equity and targeted funding system will be felt differently by various services and service types across the system. If services experience reduced government funding, they would likely need to make trade-offs to manage the impacts. These trade-offs could include raising parent fees, reducing the number or percentage of certificated teachers and/or reducing other additional benefits they provide to their communities.

Next Steps

As we noted earlier, this paper provides an overview of the key features of each fund and initial considerations for the overall approach to targeted and equity funding. The Ministry will provide further advice to the Group in February 2026 on key issues for each fund, including more detailed information about how services use these funds, and the proportion and profile of services that are receiving multiple small, targeted funds.

³ Learning support in the early years can be for an individual or for a group of children, and can be provided across home, early learning services, and to support transition to school / kura. Support can include early intervention teachers, teacher aides, speech-language therapists, advisers on Deaf children, and psychologists. The Early Intervention Service (EIS) is a learning support service for children with additional developmental, communication or behavioural needs.

Comparison table on targeted funding initiatives

Funding Initiative	Description and Purpose	Eligibility	Allocation and coverage ⁴	Accountability	Relationship to other targeted funds
MoE Targeted Funding					
<p>Equity Funding Component A: Low socio-economic communities</p> <p>2024/25 allocation: approx.⁵ \$38.583m</p> <p>Demand-driven, not automatically adjusted for inflation.</p> <p>First established: 2002</p>	<p>Provides additional funding to licensed services that provide education and care programmes to children from low socio-economic communities to support participation and quality.</p> <p>From 1 January 2025, rates per funded child hour (FCH), excluding GST:</p> <ul style="list-style-type: none"> • EQI 1 – \$1.02 • EQI 2 – \$0.78 • EQI 3 – \$0.45 • EQI 4 – \$0.21. 	<p>Eligibility is based on the Equity Index (EQI), which measures the extent to which a service draws children from low socio-economic communities, using deciles. Services with an EQI from 1–4 are eligible; EQI > 5 are not.</p> <p>The current EQI is based on out-of-date data and as such may not accurately reflect socio-economic need. A new index has been developed but is not yet used for equity funding.</p>	<p>Automatically granted to eligible services and paid alongside universal subsidies.</p> <p>Level of funding paid to eligible services is determined by its EQI and the FCH claimed through the RS7 Return process.</p> <p>1637 services (approximately 36.6% of licensed services) received this funding in the 2024/25 financial year.</p>	<p>Funding is tagged and must be spent with the equity objectives for participation and quality in mind. Services determine how to best use this funding within broad guidelines.</p> <p>Services must report annually to parents and the local community about how they spent equity funding and why it was used for that purpose. These reports must be included in a service’s annual general meeting. Reports may be reviewed by the Ministry and/or ERO.</p>	<p>Services that receive Component A also receive Component B funding (see below).</p>
<p>Equity Funding Component B: Special needs, and non-English speaking backgrounds</p> <p>2024/25 allocation: approx.⁵ \$19.320m</p> <p>Demand-driven, not automatically adjusted for inflation</p> <p>First established: 2002</p>	<p>Provides additional funding to licensed services that may have significant proportions of children requiring learning support and/or who are from non-English speaking backgrounds. Recognises the additional costs of meeting the needs of these groups of children.</p> <p>From 1 January 2025, rates per FCH, excluding GST:</p> <ul style="list-style-type: none"> • EQI 1 – \$0.48 • EQI 2 – \$0.30 • EQI 3 – \$0.20 • EQI 4 – \$0.18. 	<p>Services receiving Equity Component A also receive Equity Component B. Identical eligibility criteria with different guidelines for spending to align with the purpose of each component.</p>	<p>Identical to Equity Component A.</p>	<p>As per Equity A above, but with guidelines on spending aligned with Equity Component B.</p>	<p>Components A and B are combined as: children in low socio-economic communities are more likely to have additional learning support needs and come from families where English is not the primary language.</p>

⁴ Coverage figures are indicative and varies year-on-year.

⁵ Estimated appropriation based on past expenditure split, rounded to nearest 1,000. Total appropriation is \$61.898m allocated across all equity components.



Funding Initiative	Description and Purpose	Eligibility	Allocation and coverage ⁴	Accountability	Relationship to other targeted funds
<p>Equity Funding Component C: Language and culture other than English</p> <p>2024/25 allocation: approx. \$2.888m</p> <p>Demand-driven, not automatically adjusted for inflation</p> <p>First established: 2002</p>	<p>Additional funding to licensed services that provide bilingual or immersion education and care programmes to support participation and quality provision in these contexts.</p> <p>Single rate per service regardless of size / number of FCH claimed, of \$412.63 (GST excl) per month.</p>	<p>Application based for licensed services that use a language and culture other than English (including sign language) during more than half of the formal education and care programme.</p>	<p>Application based, measured by attestation of language (EC15 form).</p> <p>Funding is a fixed monthly grant. It is not related to the size of the service, nor the number of funded child hours claimed.</p> <p>613 services (approximately 13.7% of licensed services) received this funding in the 2024/25 financial year.</p>	<p>As per Equity A above, but with guidelines on spending aligned with Equity Component C.</p>	<p>See also Waha Rumaki and Pacific Immersion Teaching Allowance available for services that provide bilingual or immersion education Te Reo Māori or a single Pacific language.</p>
<p>Equity Funding Component D: Isolation</p> <p>2024/25 allocation: approx. \$1.114m</p> <p>Demand-driven, not automatically adjusted for inflation</p> <p>First established: 2002</p>	<p>Provides additional funding to recognise that isolated services will face higher costs when accessing goods and services.</p> <p>From 1 January 2025, the rates per month, excluding GST are:</p> <ul style="list-style-type: none"> \$100.40 for services with an isolation index between 1.65 and 1.83 \$151.19 for services with an isolation index between 1.84 and 2.53 \$291.75 for the most isolated services with an isolation index of 2.54 and greater. <p>Rates are not linked to the size of the service and number of FCH claimed.</p>	<p>Eligibility is measured by Isolation Index. Services with an Isolation Index of 1.65 or greater are eligible.</p> <p>A service's Isolation Index is worked out by measuring the service's distance from towns/cities of 3 different population sizes (5,000, 20,000, and 100,000).</p> <p>The index used outdated data, developed based on population demographics in 2001. There is a new isolation index for ECE, but has never been implemented as it was going to be coordinated with the implementing a new Equity Index.</p>	<p>Automatically granted to all eligible licensed services.</p> <p>Funding is a fixed monthly grant. There are currently three payment bands, which reflect different levels of isolation. This means that more isolated services receive a higher rate of funding.</p> <p>499 services (approximately 11.2% of licensed services) received this funding in the 2024/25 financial year.</p>	<p>As per Equity A above, but with guidelines on spending aligned with Equity Component D.</p>	<p>The ATIS is available to licensed ECE services, with an Isolation Index of 1.65 or greater, which also receive between \$5,000 and \$20,000 in Ministry funding. It is possible for services to receive both Component D equity funding and the ATIS.</p>



Funding Initiative	Description and Purpose	Eligibility	Allocation and coverage ⁴	Accountability	Relationship to other targeted funds
<p>Targeted Funding for Disadvantage (TFFD)</p> <p>2024/25 allocation:⁶ \$11.685m</p> <p>Demand-driven, not automatically adjusted for inflation</p> <p>First established: 2018</p>	<p>Funding to improve educational equity by improving the quality and affordability of early learning for children from disadvantaged backgrounds.</p> <p>Targeted to services with high proportions of children from disadvantaged backgrounds.</p> <p>From 1 January 2025, the rate per FCH excluding GST is \$0.36.</p>	<p>All services' eligibility assessed annually based off MSD beneficiary data. The Ministry notifies eligible early learning services of their Targeted Funding entitlement in February each year.</p> <p>Eligibility is based on service's targeted hours – the proportion of FCH for children who have spent most of their life as a dependent of someone receiving an MSD benefit. Early learning services that have an estimated 20% or above Targeted Hours as a proportion of total FCH are eligible.</p>	<p>Eligibility for TFFD is calculated annually and automatically granted to eligible services.</p> <p>A service's eligibility may change from year to year depending on the proportion of children from disadvantaged backgrounds as described in the eligibility column. When this threshold reaches 20% of FCH when calculated in February then the service is eligible for TFFD for the following March, July and November funding periods.</p> <p>Excludes hospital-based services, casual education and care services, and services with fewer than six tamariki/children.</p> <p>1,814 services were calculated to receive TFFD funding in 2025 (note that the TFFD funding year runs from 1 March to 28 or 29 February the following year).</p>	<p>Guidelines specify that Targeted Funding must be spent within the following areas: working with families and whānau, removing barriers to learning, enriching learning environments, supporting teachers, kaiako and parents.</p> <p>Services must report to the Ministry each year on how they used Targeted Funding and how the funding benefited children/tamariki from disadvantaged backgrounds.</p>	<p>Targeted Funding is separate to other funding streams. It is intended to complement Equity Funding Component A and its objective of reducing educational disparities in New Zealand.</p>
<p>Annual Top-Up for Isolated Services (ATIS)</p> <p>2024/25 allocation: \$135,000</p> <p>Fixed appropriation, ongoing</p> <p>First established: 2006</p>	<p>Funding to support services with a limited capacity to generate Funded Child Hours due to isolation, recognising that isolated services incur greater costs when accessing goods and services.</p> <p>ATIS is a 2-tier entitlement system: Services generating \$5,000-\$10,000.99 excl GST in funding subsidies and equity payments between 1 June and 31 May, are topped up to \$15,000. Services receiving \$10,001-\$19,999.99 excl GST are topped up to \$20,000.</p>	<p>Automatically granted for isolated services that attract between \$5,000 and \$20,000 of subsidies and equity payments in a 12-month period. Identified from the isolation index and funding data.</p> <p>Casual education and care, hospital services and other services funded on notional rolls are ineligible for this fund.</p> <p>Eligible services are advised of their receipt of ATIS on the ECE Funding Notice that accompanies their July funding payment.</p>	<p>Automatically granted to all eligible services based on isolation and funding parameters.</p> <p>25 services (approximately 0.6% of licenced services) received this funding in the 2024/25 financial year. All of these services are playcentres.</p>	<p>Services must report on their use of ATIS as part of their financial reporting on the ECE Funding Subsidy.</p>	<p>Services that receive ATIS are also eligible for Equity Component D funding. The amount received by Equity Component D is accounted for alongside other operational funding in calculating the amount a service receives for ATIS.</p>

⁶ Rounded to nearest 1,000 (was rounded to this level in finance baseline file).

Funding Initiative	Description and Purpose	Eligibility	Allocation and coverage ⁴	Accountability	Relationship to other targeted funds
Waha Rumaki 2024/25 allocation: \$1,409,000 Fixed appropriation, ongoing First established: FY2023/24	Allowances support, attract and retain certificated teachers working in the Māori immersion and bilingual services Puna Reo and Reo Rua Education and Care. This allowance aims to: <ul style="list-style-type: none"> give practical recognition to te reo Māori as a taonga to be actively protected under Te Tiriti o Waitangi acknowledge additional language and cultural competencies for delivering the curriculum in te reo Māori support services to recognise, retain and attract certificated kaiako with the additional language skills they require. 	Only available to puna reo and reo rua education and care. ⁷ Different rates are available for kaiako depending on whether they are teaching in a bilingual or immersion service ⁸ and their years of experience teaching in Māori medium. For services with 81–100% immersion, the base allowance per annum for their kaiako is \$6,000, increasing to \$10,000 after three years in Māori medium and \$12,000 after six years. For bilingual services (51–80% immersion), the base allowance is \$5,000, rising to \$7,000 after three years and \$8,000 after six years.	Monthly application based – Eligible service must apply each month with details on staffing to receive funding. Calculated on level of immersion in the service, number of certificated teachers, and the years of experience for each kaiako teaching in a bilingual or immersion service. 48 services (approximately 1.1% of licensed services), received funding in the 2024/25 financial year. During this period on average 200 kaiako received the allowance each month.	Must be passed on directly to each certificated kaiako, records must be kept, must be paid on top of any pay parity salary scale.	Services that apply for Waha Rumaki are also eligible to apply for Equity Component C funding. The rates and conditions for this allowance are based on rates provided for the Māori Immersion Teaching Allowance (MITA) in the primary school collective agreement. ⁹
Pacific immersion teaching allowances (PITA) 2024/25 allocation: \$1,538,000 Fixed appropriation, ongoing First established: FY2023/24	Allowances support, attract and retain certificated teachers working in Pacific language services Leo o Fanau Moana immersion and Leo o Fanau Moana Bilingual. This allowance aims to: <ul style="list-style-type: none"> give practical recognition to the revitalisation and protection of Pacific languages and cultures within New Zealand acknowledge additional language and cultural competencies for delivering the curriculum in Pacific languages support services to recognise, retain and attract certificated teachers with the additional language skills they require. 	Only available to leo o fanau moana - immersion and leo o fanau moana - bilingual services. Different rates are available for kaiako depending on whether they are teaching in a bilingual or immersion service ¹⁰ and their years of experience teaching in Pacific medium. For services with 81–100% immersion, the base allowance per annum for their kaiako is \$4,000, increasing to \$6,000 after three years in Pacific medium and \$8,000 after six years. For bilingual services (51–80% immersion), the base allowance is \$4,000, rising to \$5,000 after three years and \$6,000 after six years.	Monthly application based. Eligible services must apply each month with details on staffing to receive funding. Calculated on level of immersion in the service, number of certificated teachers, and the years of experience for each kaiako teaching in a bilingual or immersion service. 71 services (approximately 1.6% of licensed services) received funding in the 2024/25 financial year. During this period on average 273 certificated teachers received the allowance each month.	Must be passed on directly to each certificated teachers, records must be kept, must be paid on top of any pay parity salary scale.	Services that apply for Pacific Immersion Teaching Allowances are also eligible to apply for Equity Component C funding. These allowances were established at the same time as the Pacific Immersion Teaching Allowance in schools. The rates for and conditions of this allowance are based on rates provided to school teachers in the Primary Teachers Collective Agreement.

⁷ It is also available to a handful of education and care services under Te Kōhanga Reo National Trust, that received this allowance before the new service types of puna reo and reo rua were established.

⁸ The language level that an ECE service attests to meeting is assessed across the entire service licence.

⁹ Note there is no level 3 (31-50% te reo Māori) in the ECE equivalent Waha Rumaki. Waha Rumaki and PITA were established with the purpose of increasing bilingual and immersion levels and must meet at least 51% of the time in either Te Reo Māori or a single Pacific language. The language level that a service attests to meeting is assessed across the entire service licence

¹⁰ The language level that an ECE service attests to meeting is assessed across the entire service licence and is for a single Pacific language.



Funding Initiative	Description and Purpose	Eligibility	Allocation and coverage ⁴	Accountability	Relationship to other targeted funds
<p>Puna reo property maintenance</p> <p>2024/25 allocation: \$828,000</p> <p>Fixed appropriation, ongoing</p> <p>First established FY2023/24</p>	<p>The pūtea is provided to support puna reo affiliated to Ngā Puna Reo o Aotearoa (NPRA) to remain open through funding for ongoing maintenance on puna reo property.</p>	<p>Puna reo affiliated to Ngā Puna Reo o Aotearoa. NPRA advises the Ministry which puna are members to receive the pūtea.</p> <p>Puna reo membership includes services that fall within the service types Education and Care, Puna Reo, and Reo Rua Education and Care. All these service types can be eligible for the grant.</p>	<p>Allocated by distributing the annual grant equally between the services advised by NPRA. The amount a service receives varies depending on the number of services eligible each year.</p> <p>To date, 2 batches of payments have been distributed:</p> <ul style="list-style-type: none"> ○ 41 puna reo each received \$40,390.24 excl GST for the first two years of the grant (FY2023/24 to 2024/25). ○ 44 puna reo each received \$18,400.00 excl GST for the third year of the grant (FY2025/26). Four puna reo received the pūtea for the first time in FY2025/26. <p>As of November 2025, the Ministry has paid \$2,484,000 (excl GST) for puna reo property maintenance. This covers the three years from 1 July 2023 to 30 June 2026.</p>	<p>Each puna reo has to sign a letter of grant and return to the Ministry, and meet interim and final reporting requirements associated with the grant.</p> <p>The initial scoping and progress reports have been received for both the FY2023/24 to 2024/25 and the FY2025/26 funding, with the final reports due 1 June and 21 July 2026 respectively.</p> <p>The FY2025/26 letter of grant has additional guidance that funds should be spend on</p> <ul style="list-style-type: none"> • Reactive repairs to broken puna reo property, and/or • Routine preventative maintenance to puna reo property, and/or • Planned replacement maintenance to puna reo property. 	<p>Provides support similar to other ECE property remediation/ sustainability funding</p> <p>Te Kōhanga Reo National Trust Board (TKRNTB) property remediation funding.</p> <p>Playcentre Aotearoa property (sustainable) funding.</p> <p>Targeted Assistance for Participation (TAP)</p> <p>TKRNTB and Playcentre Aotearoa have utilised TAP funding which is aimed at increasing participation by increasing the number of child places in early learning services among priority population groups. Puna Reo have also utilised TAP funding but not at the same scale as TKRNTB.</p>
<p>Ngā Puna Reo O Aotearoa – Operational Services</p> <p>2024/25 allocation: \$407,000</p> <p>Fixed appropriation, ongoing</p> <p>First established: FY2022/23</p>	<p>Funding to support operation of puna reo umbrella group: Ngā Puna Reo O Aotearoa (NPRA).</p> <p>NPRA, as the key relationship holder with the Ministry, supports the development and progress key pieces of work across the early learning sector. The work NPRA supports aligns with Ministry Tiriti o Waitangi obligations, Ka Hikitia and Tau Mai Te Reo education and language strategies</p> <p>Funding enables NPRA as the peak body to support the 50 Puna Reo to deliver consistently any national Ministry priorities and education strategies that would further support the growth and wellbeing of their membership.</p>	<p>Funding agreement with NPRA to support continued administrative support and ongoing employment costs of NPRA to advocate on behalf of the 50 Puna Reo, their aspirations and education goals for enrolled tamariki. The funding supports employment of these three key roles:</p> <ol style="list-style-type: none"> 1. Tumu (General Manager) 2. Kai Whakahaere Tari (Administrator) 3. Communications 	<p>Funding for the first two financial years has been paid. The current contract is until FY2027/28, with a total whole of life funding of \$1,764,000.</p>	<p>NPRA meets with the Ministry to ensure that their work plan aligns with government education priorities.</p> <p>Quarterly in person hui with MoE with additional online hui as required, annual reporting on agreed milestones on their key initiatives that are aligned to the Governments education priorities.</p> <p>Written annual reports meeting Ministry requirements are linked to annual payments.</p>	<p>No relationship to other targeted funds.</p>



Funding Initiative	Description and Purpose	Eligibility	Allocation and coverage ⁴	Accountability	Relationship to other targeted funds
Discrete Participation Funds					
<p>Targeted Assistance for Participation (TAP) Fund</p> <p>2024/25 allocation: \$7,500,000</p> <p>Fixed appropriation, ongoing</p> <p>First established: 2010</p>	<p>TAP is a property assistance grant, contributing to the cost of building new early learning services or the expansion of existing services in communities with lowest levels of participation.</p> <p>TAP is split into two programmes:</p> <p>a. 'TAP 2' provides funding of up to \$12,000 per child place, or 50% of total project costs, whichever is lesser. The annual appropriation in FY24/25 was \$5m.</p> <p>b. 'TAP 3' provides funding of up to \$100,000 per project. The annual appropriation in FY24/25 was \$2.5m.</p>	<p>Provides funding that contributes to establishing, or retaining¹¹, new child places in Māori, Pacific, low socio-economic (including migrant and refugee), or rural/isolated communities, where participation rates are low and there are insufficient child places available.</p>	<p>No new TAP contracts have been approved in FY2024/25 or FY2025/26.</p> <p>As of October 2025, there are 22 existing TAP contracts with accrued funding of \$5,092,283. Five contracts have completed their builds since May 2025, when there were 27 existing TAP contracts with accrued funding of \$6,690,082.</p> <p>The oldest existing TAP 2 contract was approved in FY2014/15. The oldest existing TAP 3 contract was approved in FY2016/17.</p>	<p>The funding contributes to an approved project to create a specific number of new child places in an early learning service in a specific area.</p> <p>TAP milestones can vary (over time but also between TAP 2 and TAP 3 contracts). In general, a project plan is usually required at the beginning and a code of compliance certificate (CCC) is required at the end confirming the building work completed meets the conditions of the building consent. Some contracts include a project completion report (and there are other milestone requirements). Contractual meetings are managed by regional relationship managers (and can vary on scope and frequency between TAP 2 and TAP 3).</p>	<p>Property remediation / sustainability funding is available for particular service types:</p> <ul style="list-style-type: none"> - Puna Reo property maintenance - Te Kōhanga Reo National Trust Board (TKRNTB) property remediation funding - Playcentre Aotearoa property (sustainable) funding.
<p>Early Learning Taskforce: Supported Playgroups Programme</p> <p>2024/25 allocation: \$1,593,000</p> <p>Fixed appropriation, ongoing</p> <p>First established: 2010</p>	<p>Flexible participation fund that supports projects to engage non-participating whānau. While the Supported Playgroups programme is the key initiative funded under this stream, it is included in the scope of the Review as it was part of the original package of participation initiatives.</p>	<p>Flexible participation fund that supports projects to engage non-participating whānau and tamariki in early learning.</p>	<p>The Ministry currently manages 12 Supported playgroup contracts across the country supporting a total caseload of 365 tamariki (FY2025/26).</p>	<p>Providers must report quarterly to the Ministry on their delivery of the programme including participation and completion rates, demographics of participants, and average costs per participant and completing participant.</p>	<p>Other participation funds include Engaging Priority Families, Poipoia te Mokopuna, Whānau in Home Learning and Kā Au Kahuraki.</p>

¹¹ The purpose is to create new child spaces, but TAP has also been used to retain child places when major building maintenance, such as re-roofing, is required for a service to remain open.



Funding Initiative	Description and Purpose	Eligibility	Allocation and coverage ⁴	Accountability	Relationship to other targeted funds
<p>Poipoia te Mokopuna</p> <p>2024/25 allocation: \$1,255,000</p> <p>Fixed appropriation</p> <p>First established: 2014</p>	<p>Funding to support Tamariki Māori under three years of age, and their whānau to understand the importance of early childhood education and support them to enrol. The programme aims to raise participation prior to school and reduce inequities in access to education by working with the whānau to address issues that may be preventing them from attending ECE.</p> <p>Poipoia is a free programme for whānau, founded on te reo Māori and tikanga principles. Whānau are supported to be first teachers for their tamariki and eventually transition them to early learning.</p>	<p>Poipoia is targeted to Māori tamariki under three years of age and not currently participating in early childhood education.</p>	<p>The target is 600 whānau. There are currently 11 providers contracted to deliver Poipoia te Mokopuna nationally. Each provider has a different caseload of tamariki and whānau to engage.</p> <p>These providers deliver in the following geographic regions Auckland, Rotorua/Waiariki/Bay of Plenty, Canterbury, Hawkes Bay/Tairāwhiti, Southland, Te Tai Tokerau, and Waikato.</p> <p>Contracts usually run for three years with a right of renewal for a further two one-year terms.</p> <p>The maximum price per child for Poipoia is \$4,000 per child place per annum.</p>	<p>Providers must report quarterly to the Ministry on caseload, number of children transitioning to early learning and number of early learning journals.</p>	<p>Other participation funds include Supported Playgroups, Whānau in Home Learning and Kā Au Kahuraki.</p>
<p>Engaging Priority Families (EPF)</p> <p>2024/25 allocation: \$3,853,000</p> <p>Fixed appropriation</p> <p>First established: 2010</p>	<p>EPF aims to support children from priority families to participate in ECE.</p> <p>It funds providers to engage with priority families whose children aged between 3-4 are not currently attending ECE.</p> <p>The programme is delivered in-home and group sessions. Providers will support families to be more involved in their tamariki early learning, support whānau to choose an early learning service that is suitable for them and support their tamariki when they transition to school.</p>	<p>Māori, Pacific and low socio economic whānau communities with the lowest levels of participation in early learning services.</p>	<p>Contracted caseload is 841 children per annum. There can be over and under delivery by some providers. In 2024, 820 kids were supported.</p> <p>There are currently 20 providers contracted to deliver Engaging Priority Families nationally. Each provider has a different caseload of tamariki and whānau to engage. These providers deliver in the following geographic regions Auckland, Bay of Plenty, Canterbury, Hawkes Bay, Taranaki, Te Tai Tokerau, Waikato, and Wellington.</p> <p>Contracts usually run for three years with a right of renewal for a further two one-year terms.</p> <p>The maximum price per child for EPF is \$4,590 per child place per annum.</p>	<p>Providers have to meet caseloads (set number of children to support) as well as other deliverables, such as early learning plans, relationship brokering, support for transitions to school.</p> <p>Providers must report quarterly and annually to the Ministry. The Annual report must include policies related to key legislation (e.g. health and safety) and financial records relating to delivery of the program.</p>	<p>Other participation funds include Supported Playgroups, Poipoia te Mokopuna, Whānau in Home Learning and Kā Au Kahuraki.</p>

Funding Initiative	Description and Purpose	Eligibility	Allocation and coverage ⁴	Accountability	Relationship to other targeted funds
<p>Whānau in Home Learning (WIHL)</p> <p>2024/25 allocation:¹² \$3,008,000</p> <p>Fixed appropriation</p> <p>First established: 2022</p>	<p>A programme to help children develop strong educational foundations at home and transition into ECE.</p> <p>WIHL is linked to Te Whāriki 2017, Kā Hikitia, the Learning Support Action Plan 2019-2025, and the Pacific Action Plan 2020-2030. Its purpose is to strengthen parents' and caregivers' confidence and understanding of their child's development and learning needs within a home environment by providing culturally responsive activities and resources. WIHL also works with whānau to identify a suitable ECE service for their child, and support them to enrol and attend regularly.</p> <p>There were underspends in the WIHL budget line, and it was subject to cost savings in FY2023/24 and uncommitted funding was returned. This did not affect the WIHL contracts. Budgeted funding for FY 2023/24 was \$4,308,000.</p>	<p>Eligibility in 2025-26 contract renewal: Tamariki 2 years and older and their whānau with low income including where parents have low educational levels, where parents have English as a second language (including refugees and immigrants), isolated whānau and where Tamariki are not engaged in other Ministry funded early learning participation programmes. Living in the priority areas as set out in the 2022-2025 funding contract – there is scope to review this in future contracts, if renewed.</p>	<p>1,175 children are in the contracted caseload across three WIHL providers.</p> <p>The maximum price per child per annum for WIHL is \$2,400.¹³</p> <p>There are 27 priority areas across the following eight regions: Bay of Plenty/ Rotorua/Taupō, Canterbury, Hawkes Bay/Gisborne, Kaikoura/West Coast, Tai Tokerau, Taranaki/Whanganui/Manawatū, Waikato and Wellington.</p>	<p>Reporting</p> <p>Quarterly reports End of Year Review End of Year Financial Report</p> <p>Monitoring</p> <p>Programme project plan (set up) Quarterly meetings between provider and MOE Annual contract review</p> <p>The 2022-2025 contract included a quarterly reporting template which has been updated for the FY2025/26 contract variation to include the Ministry's minimum reporting standards.</p>	<p>Other participation funds include Supported Playgroups, Engaging Priority Families, Poipoia te Mokopuna, and Kā Au Kahuraki.</p> <p>Children in other participation programmes (Poipoia te Mokopuna and EPF) are not eligible to enrol in WIHL.</p>

¹² The allocation for 2023/24 was \$4,308,000. WIHL was subject to cost savings in early 2024 and uncommitted funds were returned. Subsequent allocations have been reduced accordingly.

¹³ this rate is significantly lower than those provided for in EPF and Poipoia te Mokopuna



Funding Initiative	Description and Purpose	Eligibility	Allocation and coverage ⁴	Accountability	Relationship to other targeted funds
<p>Kā Au Kahuraki</p> <p>2024/25 allocation: \$1,727,871</p> <p>Fixed appropriation</p> <p>First established: 2019</p> <p>Funding Source: Tagged operating contingency from Vote Justice (Budget 2019).</p> <p>Drawdown: \$6.916m over four years and outyears to Vote Education</p>	<p>A cross-agency collaboration in East Christchurch focused on building protective factors for children aged 0-5. The objectives of this initiative include increasing presence, participation and progress in early childhood education, creating good health outcomes, a reduction in child poverty and safe communities for all.</p> <p>The programme is led by the Joint Venture (JV) between Ministry of Education, NZ Police, Department of Internal Affairs, and Ngāi Tūāhuriri as Mana Whenua.</p>	<p>Eligibility: Targeted primarily to East Christchurch communities in areas of high deprivation</p> <p>Currently reaching Linwood, Bromley, Phillipstown, Woolston, Shirley, Mairehau and New Brighton. Plans in 2026 to extend to centres in other areas of Christchurch such as Aranui.</p> <p>This funding supports kaitiaki to work to fulfil the needs identified in their designated centres.</p>	<p>Service Reach: 45 early learning service communities with approximately 2000 tamariki (including approx. 530 tamariki Māori)</p> <p>Services engaged through kaupapa such as Mana Whenua, Kaitiaki connectors, and Tamai Safe Homes.</p>	<p>Governed by a steering group with representation from Iwi, NZ Police, MoE, and DIA.</p> <p>Uses a social investment approach with measurable goals and continuous monitoring. Accountability is embedded through cross-agency collaboration and community feedback loops.</p> <p>Contracts are renewed annually for providers in the Kaitiaki and Mana Whenua work streams</p>	<p>This programme is part of broader community initiatives for safer, stronger communities in East Christchurch following the 2010 and 2011 earthquakes, 2017 Port Hills fires, 2019 Christchurch Mosque Attacks and COVID-19 pandemic.</p> <p>Other participation funds include Supported Playgroups, Engaging Priority Families, Poipoia te Mokopuna, and Whānau in Home Learning.</p>

Proactively Released



Funding Initiative	Description	Eligibility	Allocation and coverage ⁴	Accountability	Relationship to other targeted funds
Ministry for Social Development Targeted Funding					
<p>Early Learning Payment (ELP) *</p> <p>Approx. spend for 24/25 financial year: \$9.3 million.</p> <p>Demand- driven, inflation adjusted.</p> <p>Came into force on 1 December 2005, and administered under the Family Start and Early Start (Childcare Assistance) Programme.</p>	<p>Provides financial assistance with childcare costs for families with children aged between 18 months and not more than 36 months who are enrolled in Family Start or Early Start.</p> <p>Subsidises up to 20 hours attendance each week. Ends when the child turns 36 months old (when 20 hours ECE from the Ministry of Education becomes available).</p> <p>Focused on ECE participation and there are no employment, job seeking, education or training requirements for the child's parents</p>	<p>Caregivers of dependent children aged between 18 months and not more than 36 months who are attending an approved early childhood education programme or service.</p> <p>Must meet residency requirements and be enrolled in a Family Start or Early Start Programme.</p> <p>There is no income or asset test to receive ELP.</p>	<p>Applicants must complete the form and provide MSD with evidence (if required) to demonstrate eligibility.</p> <p>1,122 families receiving this payment as at the end of April 2025 (paid directly to services).</p>	<p>Paid directly to ECE providers for eligible children.</p> <p>Families enrolled in Family Start or Early Start are assigned a family/whanau worker who usually acts as a liaison between the family and MSD.</p> <p>A client is obliged to advise MSD of any changes in their circumstances that may affect their entitlement to the ELP.</p>	<p>MSD's Childcare Subsidy (CCS) can be paid for a child who is receiving ELP, but only for the hours that MSD is not paying ELP for and subject to the eligibility criteria for CCS.</p> <p>Clients who are receiving ELP are not eligible for the 9 hours of CCS available to those who are not engaged in work, study or training.</p>
<p>Guaranteed Childcare Assistance Payment (GCAP) *</p> <p>Approx. spend for 24/25 financial year \$1.2 million.</p> <p>Demand- driven, inflation adjusted.</p> <p>Came into force on 20 August 2012 and administered under the Guaranteed Childcare Assistance Payment Programme.</p>	<p>Provides financial assistance to help young parents with ECE costs, who are participating in full-time education, training, or work-based learning. This supports them with the costs of childcare, providing essential support for a vulnerable cohort of young people to remain in education or training.</p> <p>Subsidises up to 50 hours attendance each week.</p>	<p>Parents under 20 years of age who are the principal caregiver of a dependent child attending an approved ECE programme or service and are:</p> <ul style="list-style-type: none"> receiving a Young Parent Payment or is a partner of a specified beneficiary¹⁴ to meet their youth activity obligations and to undertake paid employment, or not receiving a main benefit to return to, or remain in, secondary education. <p>Must meet residency requirement.</p> <p>There is no income or asset test to get GCAP.</p>	<p>Applicants must complete the form and provide MSD with evidence (if required) to demonstrate eligibility.</p> <p>165 children (162 families) receiving this payment as of end April 2025 (paid directly to services).</p>	<p>Funding paid directly to the providers for eligible children.</p> <p>A young parent client is obliged to advise the Ministry or their service provider of any changes in their circumstances that may affect their entitlement to the Guaranteed Childcare Assistance Payment.</p>	<p>Generally, young parents eligible for GCAP will be better off getting 20 Hours ECE where their provider offers it (if they have children aged 3, 4 or 5, because this fully funds 20 hours).</p> <p>Young parents can choose to take up either 20 Hours ECE only, or GCAP when they qualify, or a combination of both, but not for the same hours except when home-based educator top-up payments are charged for those hours.</p>

¹⁴ A specified beneficiary is defined in section 169 of the Social Security Act 2018 as a person who is in a relationship and is getting (in their own right) one of the following benefits: Emergency Benefit, Jobseeker Support, Supported Living Payment - health condition, illness, disability or totally blind, New Zealand Superannuation or Veterans Pension.

* Approximate spend for ELP and GCAP are estimates and not officially measured accounting figures