

# SECURING NEW ZEALAND'S FUTURE



**BUDGET  
2026**

## **Hon David Seymour Associate Minister of Education**

28 May 2026

### **ECE funding to provide sector instant relief**

Associate Education Minister David Seymour has today announced that financial relief for early childhood education (ECE) services will come in July 2026, instead of January 2027.

“There are few things as important to Kiwi parents as affordable and quality ECE for their children,” Mr Seymour says.

Most ECE services will receive a 1.5 percent increase to their subsidy rates. The increase applies from July 2026 but typically isn't received by services till the following January. This year, however, services will receive the increase from July. The increased rates would provide the ECE sector with an additional \$40 million each year.

“ECE in New Zealand should be affordable, high quality, and accessible. New Zealand's future relies on it,” Mr Seymour says.

“The sector has told me that rising costs are getting in the way of those goals.

“When ECE services face cost pressures they have two options; pass costs on to parents, or give up features of their service that are no longer financially viable. Neither of those options are good enough for Kiwi families.

“ECE services shouldn't have to make either of those decisions. That's why we brought forward support. Usually it would come in January 2027, but we recognise the urgency. Services will get it in July 2026.

“We have also reformed ECE sector regulations to raise the quality of ECE and make it more affordable.

“Last year we completed the ECE Sector Review to reduce compliance costs but keep children's safety at the forefront. The Review instigated 15 changes to make it easier to open and run high-quality centres. This leads to more choice and better access for parents.

"The Ministry for Regulation went straight to the source and asked the sector what's increasing costs and limiting competition. These changes are based on feedback from providers around the country who say they've been frustrated by unclear rules, conflicting advice from different agencies, and unnecessary red tape."

The changes include:

- Reducing the number of licensing criteria by almost 20 per cent, and simplifying 58 of them to reduce unnecessary compliance for services and give them greater flexibility.
- Establishing a new Director of Regulation and moving regulatory functions from the Ministry of Education to ERO to improve oversight.
- Introducing graduated enforcement tools to respond more appropriately to breaches of the new licensing criteria. The only enforcement tools previously available couldn't manage minor breaches and didn't facilitate early intervention. There will no longer be high-stakes open-or-shut rules that create anxiety, and strain relationships between regulators and centre operators.

“These reforms make it easier to open and run high-quality centres, which means more choice and better access for parents. This is part of the Government's wider commitment to smarter, more effective regulation that encourages growth,” Mr Seymour says.

To help ease the pressures placed on families by rising costs this Government has also introduced FamilyBoost which has so far provided more than 92,000 families with up to \$120 a week towards ECE costs.

**Media contact: Liam Collett +64 21 871 052**