

Education (Disestablishment of Early Childhood Development Board) Amendment Bill

Government Bill

Explanatory note

General policy statement

The Government has determined that the Early Childhood Development Board (ECD) should be integrated into the Ministry of Education after 30 September 2003. This decision arose out of the Government's *Review of the Centre*, which is focused on improving public service management to improve outcomes for citizens. The decision also draws on the Government's decision in early 2002 to increase its involvement in the management of the early childhood education network of services, and the 10-year strategic plan for early childhood education *Pathways to the Future: Nga Huarahi Arataki*. Integration of the ECD into the Ministry of Education will provide a strong unified basis for the implementation of the plan.

Clause by clause analysis

Clause 1 is the Title clause.

Part 1 contains preliminary provisions—commencement, purpose, and interpretation. The Bill is to come into force on **1 October 2003**.

Part 2 contains the substantive provisions.

Clause 5 provides for—

- the disestablishment of the ECD, which is currently a Crown entity, on **1 October 2003**; and
- the transfer of its functions, assets, liabilities, and rights to the Ministry of Education (the **Ministry**) on that date.

Clause 6 is a new funding mechanism to enable the Minister of Education to channel funding to licence-exempt early childhood providers that are not necessarily bodies corporate. Funding is currently funnelled from the Ministry via the ECD to licence-exempt centres under section 321 of the Education Act 1989. But that section enables grants to be made only to bodies corporate recognised by the Minister as bodies that provide educational or developmental services or facilities. The ECD is a body corporate, but the Ministry is not. The *new section 311A* inserted into the Education Act 1989 by *clause 6* provides that grants can be paid directly to the management of licence-exempt centres.

Clauses 7 to 11 provide for other consequential matters, such as—

- the removal of the ECD from the Official Information Act 1982 and other Acts:
 - the preparation of final ECD accounts.
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Hon Trevor Mallard

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The Parliament of New Zealand enacts as follows:

1 Title

- (1) This Act is the Education (Disestablishment of Early Childhood Development Board) Amendment Act **2003**.
- (2) In this Act, the Education Act 1989¹ is called “the principal Act”.

¹ 1989 No 80

Part 1

Preliminary provisions

2 Commencement

This Act comes into force on **1 October 2003**.

3 Purpose

The purpose of this Act is—

- (a) to provide for the Early Childhood Development Board, a Crown entity continued under Part V of the principal Act, to be disestablished and for its functions, assets, liabilities, and rights to be transferred to the Ministry of Education; and 5
- (b) to provide for other matters related to the reorganisation, such as a new funding mechanism for certain early childhood centres to enable grants to be paid by the Ministry rather than through the Early Childhood Development Board. 10

4 Interpretation

In this Act, unless the context otherwise requires,—

assets has the same meaning as in section 216(1) of the principal Act 15

Board means the Early Childhood Development Board

collective agreement means an employment agreement that is binding on 1 or more employers and 2 or more employees

effective date means **1 October 2003** 20

employment agreement, in relation to an employee,—

- (a) has the same meaning as in section 5 of the Employment Relations Act 2000; and
- (b) to avoid doubt, includes an employment contract that took effect before the commencement of that Act and covers the employee's employment with the Board 25

liabilities has the same meaning as in section 216(1) of the principal Act

Ministry means the Ministry of Education

rights has the same meaning as in section 216(1) of the principal Act 30

Secretary means the chief executive of the Ministry.

Part 2

Disestablishment of Board and associated matters

- 5 Early Childhood Development Board disestablished and functions, assets, etc, transferred to Ministry on effective date** 5
- (1) On the effective date,—
- (a) the Board ceases to exist; and
- (b) all functions, assets, liabilities, and rights of the Board, by virtue of this section, become those of the Crown.
- (2) On the effective date, Part V and the Third Schedule of the principal Act are consequentially repealed. 10
- (3) On the effective date, the following enactments are consequentially repealed:
- (a) section 13(2) of the Education Amendment Act 1990; and 15
- (b) sections 5 and 6 of the Education Amendment Act 1993; and
- (c) sections 16 and 17 and the heading above section 16 of the Education Amendment Act (No 2) 1998.
- 6 New sections 311A and 311B inserted** 20
- The principal Act is amended by inserting, after section 311, the following sections:
- “311A **Grants to licence-exempt centres**
- “(1) The management of any licence-exempt centre may be paid grants out of public money appropriated by Parliament for that purpose. 25
- “(2) **Licence-exempt centre** means any premises that are operated as an early childhood centre and that are exempted from the requirement to be licensed by notice in the *Gazette* issued under section 316(1)(b). 30
- “(3) Section 309(2) to (5) applies as if the reference to chartered services were a reference to licence-exempt centres.

“311B Reporting requirements if grant paid to licence-exempt centre

- “(1) This section applies during the financial year in which a grant is paid to the management of a licence-exempt centre under section 311A, and during the next financial year. 5
- “(2) The Secretary may, by written notice to the management, require the management to give to the Secretary in writing any financial report, or statistical or other information, that is specified in the notice and that relates to the centre.
- “(3) The management must take all reasonable steps to comply with the notice within the time specified in the notice.” 10

7 Consequential amendments to other enactments

On the effective date,—

- (a) the First Schedule of the Official Information Act 1982 is consequentially amended by omitting the item relating to the Board; and 15
- (b) the First Schedule of the Ombudsmen Act 1975 is consequentially amended by omitting from Part II the item relating to the Board; and
- (c) the Fourth, Fifth, Sixth, and Seventh Schedules of the Public Finance Act 1989 are amended by omitting the item relating to the Board; and 20
- (d) the Education (Change of Name of Education Entities) Order 2000 (SR 2000/117) is consequentially amended by revoking clause 3(2) and so much of the Schedule as relates to the Board. 25

8 Consequential changes to other references

- (1) If any other enactment or other thing refers to the Board and that reference is no longer appropriate because the Board has been disestablished, the reference must be read as a reference to the Ministry. 30
- (2) If any other enactment or other thing refers to the chief executive of the Board and that reference is no longer appropriate because the Board has been disestablished, the reference must be read as a reference to the Secretary. 35

9 Application of consequential changes to references

Section 8—

- (a) applies to things that are in force or existing on the effective date (whether coming into force, entered into, or created before or after the commencement of this section); and 5
- (b) applies to references in anything, including (without limitation) deeds, agreements, proceedings, instruments, documents, and notices; and
- (c) does not apply to collective employment agreements (if any); and 10
- (d) does not apply to individual employment agreements (if any).

10 Effect of reorganisation

- (1) On and from the effective date, anything done or omitted to be done by, or in relation to, the Board must be treated as having been done or omitted by, or in relation to, the Crown. 15
- (2) The disestablishment of the Board, and the transfer of its functions, assets, liabilities, and rights to the Crown, does not affect— 20
 - (a) the assets, liabilities, or rights of the Crown or the Board (other than by transferring them); or
 - (b) the commencement or continuation of proceedings by or against the Board; those proceedings may instead be commenced or continued by or against the Crown. 25
- (3) If a transfer of an asset or liability under **section 5** is registrable, the person responsible for keeping the register must register the transfer immediately after written notice of the transfer is received by him or her from any person authorised for this purpose by the Minister. 30
- (4) **Subsection (2)** does not limit **sections 5 to 9**.

11 Final report and accounts

- (1) As soon as reasonably practicable after the commencement of this Act, the Ministry must arrange for the final report of the Board to be delivered to the Minister. 35
- (2) The report must—

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- (a) describe the Board's operations for the period beginning on 1 July 2003 and ending immediately before the effective date; and
- (b) if the Board has not already prepared and forwarded to the Minister an annual report on the operations of the Board for the year ended 30 June 2003 under Part V of the Public Finance Act 1989, describe the Board's operations for that year; and 5
- (c) include— 10
 - (i) financial statements of the Board prepared, in accordance with Part V of the Public Finance Act 1989, for that period and, if **paragraph (b)** applies, that year; and
 - (ii) an audit report prepared by the Auditor-General. 15
- (3) The Minister must present a copy of the report to the House of Representatives under section 44A of the Public Finance Act 1989.