

Undertakings to the Commerce Commission under s 46A of the Fair Trading Act 1986

1 Persons giving Undertakings

- 1.1 These Undertakings are given to the Commerce Commission (**Commission**) for the purposes of s 46A of the Fair Trading Act 1986 (**FTA**) by:
- (a) Kowhai Montessori Pre-School Limited, a company incorporated in New Zealand having its registered office at 11 Seaview Crescent, Hatfields Beach, Orewa (**Kowhai**); and
 - (b) Rebecca Jayne Brindle, of 78 Esperance Road, Glendowie, Auckland (**Mrs Brindle**).
- 1.2 In these Undertakings, **Undertaking Parties** means Kowhai and Mrs Brindle.

2 Background

- 2.1 Kowhai was registered on 24 June 1998. Between 14 October 2013 and 13 October 2014 (the **Relevant Period**) Kowhai operated a pre-school from premises in Orakei, Auckland.
- 2.2 Mrs Brindle was the sole manager of Kowhai during the Relevant Period. Mrs Brindle was the only person with decision-making responsibilities at Kowhai and, in particular, held responsibility for issuing communications and drafting invoices. Mrs Brindle also holds 50% of the shares in Kowhai.
- 2.3 The Commission alleges that throughout the Relevant Period, Kowhai made various representations, in letters sent to parents whose children attended Kowhai, and on invoices issued to those parents, that Kowhai was receiving a lower amount of funding through the Ministry of Education's Early Childhood Education funding subsidies than was, in fact, the case.
- 2.4 On 24 May 2016 the Commission laid charges against Kowhai and Mrs Brindle under the Fair Trading Act 1986 (the **FTA**) as follows:
- (a) Breaches of section 13(i) of the Fair Trading Act 1986; namely that Kowhai and Mrs Brindle, being in trade, in connection with the supply or possible supply of services, made a false or misleading representation concerning the existence or effect of any right; and in the alternative; and
 - (b) Breaches of section 13(g) of the Fair Trading Act 1986; namely that Kowhai and Mrs Brindle, being in trade, in connection with the supply or possible supply of services, made a false or misleading representation with respect to the price of services.
- 2.5 The details relating to these charges are set out in the Summary of Facts, which is annexed to this document.
- 2.6 Kowhai, Mrs Brindle and the Commission have agreed that:
- (a) Kowhai will plead guilty to all of the charges against it;
 - (b) Kowhai will confirm that the Summary of Facts is agreed;

- (c) The appropriate fine in this case is \$222,000 (the **Agreed Amount**).
- (d) To this end, Kowhai acknowledges that the Commission proposes making submissions to the Court that:
- (i) the offending justifies a starting point within the range of \$260,000 to \$280,000;
 - (ii) the Court should adopt the mid-point of the starting range (\$270,000) as the starting point;
 - (iii) Kowhai is entitled to a discount of 17.5% to reflect all mitigating factors, including its guilty pleas and lack of previous convictions; and
 - (iv) the fine should be one of \$222,000.
- (e) Kowhai will not advance a position at sentencing that invites or encourages the Court to adopt, or accept or acquiesce to any suggestion from the Court that it should adopt, a fine which differs from the Agreed Amount.
- (f) Kowhai will pay the Agreed Amount into a solicitor's trust account (the **Trust Account**) no later than five (5) working days after the Undertaking Parties execute the Undertakings.
- (g) Kowhai will pay the fine imposed by the Court (the **Fine**), whether it is the Agreed Amount or higher, by first authorising the Agreed Amount being paid from the Trust Account into Court within the timeframe that the Court specifies for payment of the Fine.
- (h) If the amount of the Fine is lower than the Agreed Amount, Kowhai agrees to authorise an amount equal to the Fine to be paid from the Trust Account into Court within the timeframe that the Court specified for payment of the Fine. Kowhai or its nominee will then be entitled to retain the difference between the Agreed Amount and the Fine.
- (i) Regarding Mrs Brindle:
- (i) Once the Undertakings are signed, the Commission will advise the Court that it is the Commission's intention to withdraw all charges against Mrs Brindle ; and
 - (ii) At Kowhai's sentencing, the Commission will withdraw all charges against Mrs Brindle provided the terms of these Undertakings have been met. .
- (j) Mrs Brindle provides a personal enforceable undertaking to pay any part of the Agreed Amount that Kowhai fails to pay.
- (k) If, following submissions from the Commission and Kowhai which are consistent with paragraph 2.6(c)-(e) above, the Court imposes a Fine equal to the Agreed Amount:
- (i) Kowhai may not appeal, recall or apply to set aside the Fine; and
 - (ii) The Commission may not appeal, recall or apply to set aside the Fine, unless it is directed to do so by the Solicitor-General.

- (l) If, following submissions from the Commission and Kowhai which are consistent with paragraph 2.6(c)-(e) above, the Court imposes a Fine which differs from the Agreed Amount, the Commission or Kowhai may appeal the sentence. In that event:
 - (i) the terms of the Undertakings will remain binding on the Commission and Kowhai, including, for the avoidance of doubt, paragraph 2.6(c)-(e) above; and
 - (ii) the Commission and Kowhai will each bear their own costs on any appeal.

3 Purpose of the Undertakings

- 3.1 These Undertakings are given by the Undertaking Parties in order to:
- (a) record Kowhai's guarantee to pay the Agreed Amount;
 - (b) record Mrs Brindle's personal guarantee to pay any part of the Agreed Amount that Kowhai fails to pay; and
 - (c) provide the Commission with a means to enforce Mrs Brindle's personal guarantee.

4 Undertakings

- 4.1 The Undertaking Parties undertake to the Commission that:
- (a) Kowhai will pay the Agreed Amount in accordance with paragraph 2.6(c)-(e) above; and
 - (b) Kowhai will authorise the application of the Agreed Amount in payment of any Court-Ordered fine in accordance with paragraphs 2.6(f) and (g) above;
 - (c) In the event that Kowhai fails to make payment of the Agreed Amount, or any part thereof, on the terms set out in paragraph 2.6(c)-(e) (the Outstanding Amount), Mrs Brindle will make payment of the Outstanding Amount within five (5) working days of the date on which was Kowhai was required to make payment of the Agreed Amount.

5 Effect of the Undertakings

- 5.1 The Undertakings are Court enforceable undertakings in terms of s 46A of the FTA.

6 Commencement of Undertakings

- 6.1 The Undertakings come into effect when:
- (a) executed by the Undertaking Parties; and
 - (b) the Commission confirms its acceptance of the Undertakings.

7 Duration of the Undertakings

- 7.1 These Undertakings will continue to have effect until the earlier of:
- (a) full payment of the Agreed Amount by either Kowhai or Mrs Brindle; or
 - (b) the Commission agrees to discharge the Undertaking Parties from the Undertakings.

8 Compliance with the Undertakings

- 8.1 If either of the Undertaking Parties becomes aware of a breach of these Undertakings, whether advertent or inadvertent, they will notify the Commission within seven (7) days of becoming aware, giving full particulars of the breach.
- 8.2 For the avoidance of doubt, nothing in paragraph 8.1 above prevents the Commission from directly seeking any information from the Undertaking Parties at any time during the course of any criminal and/or civil proceedings for the purpose of checking compliance with the undertakings.

9 Miscellaneous

- 9.1 No amendment to the Undertakings will be effective unless it is in writing, executed by the Undertaking Parties, and signed as accepted by the Commission.
- 9.2 These Undertakings are properly executed if each Undertaking Party signs the same copy, or separate identical copies of the execution page. Where separate copies are signed by the Undertaking Parties or the Commission, the signed copy can be the original document, or a faxed or emailed copy.
- 9.3 The Undertaking Parties acknowledge that:
- (a) The Commission may make the Undertakings publicly available including by publishing them on the Commission's enforcement response register on its website.
 - (b) The Commission may, from time to time, make public reference to the Undertakings including in news media statements and in the Commission's publications.
 - (c) Nothing in the Undertakings is intended to restrict the right of the Commission, or the right of any other person, to take action under the FTA or under any other statute or law.

Execution

Signed by and on behalf of Kowhai Montessori
Pre-School Limited



Authorised signatory

Rebecca Brindle

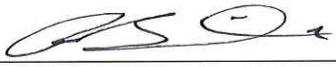
Name

In the presence of:

Witness Name: BRETT BRINDLE
Witness Address: 11 SEAVIEW CRESCENT HATFIELD BEACH
Witness Occupation: BUMER

Date: 20.3.17

Signed by Rebecca Brindle



Rebecca Brindle

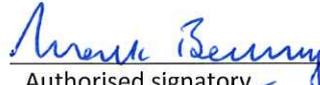
In the presence of:

Witness Name: BRETT BRINDLE
Witness Address: 11 SEAVIEW CRESCENT HATFIELD BEACH
Witness Occupation: BUMER

Date: 20.3.17

Acceptance

Accepted by the **Commerce Commission** by



Authorised signatory



Name

Authorised signatory

Name

In the presence of:

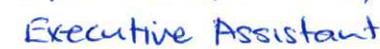
Witness Name:

Witness Address:

Witness Occupation:

Date:







Caption Summary

Commerce Commission
(Prosecutor)

v Kowhai Montessori Pre-School Limited
(Defendant)

Section 13(i) charges: false or misleading representations as to the existence or effect of a right (invoices)

Act: Sections 13(i) and 40(1) of the Fair Trading Act 1986.

Penalty: **Company:** \$200,000 fine for conduct to 16 June 2014;
\$600,000 fine for conduct from 17 June 2014.
Individual: \$60,000 fine for conduct to 16 June 2014;
\$200,000 fine for conduct from 17 June 2014.

Kowhai Montessori Pre-School Limited: x5

Section 13(i) charges: false or misleading representations as to the existence or effect of a right (letters)

Act: Sections 13(i) and 40(1) of the Fair Trading Act 1986.

Penalty: **Company:** \$200,000 fine for conduct to 16 June 2014;
\$600,000 fine for conduct from 17 June 2014.
Individual: \$60,000 fine for conduct to 16 June 2014;
\$200,000 fine for conduct from 17 June 2014.

Kowhai Montessori Pre-School Limited: x2

Section 13(g) charges: false or misleading representations as to the price of services (invoices)

Act: Sections 13(g) and 40(1) of the Fair Trading Act 1986.

Penalty: **Company:** \$200,000 fine for conduct to 16 June 2014;
\$600,000 fine for conduct from 17 June 2014.
Individual: \$60,000 fine for conduct to 16 June 2014;
\$200,000 fine for conduct from 17 June 2014.

Kowhai Montessori Pre-School Limited: x5

Alternative to s 13(i) charges

Section 13(g) charges: false or misleading representations as to the price of services (letters)

Act: Sections 13(g) and 40(1) of the Fair Trading Act 1986.

Penalty: **Company:** \$200,000 fine for conduct to 16 June 2014;
\$600,000 fine for conduct from 17 June 2014.

Individual: \$60,000 fine for conduct to 16 June 2014;
\$200,000 fine for conduct from 17 June 2014.

Kowhai Montessori Pre-School Limited: x2

Alternative to s 13(i) charges

Summary of Facts

1 Introduction

- 1.1 The defendant, Kowhai Montessori Pre-School Limited (**Kowhai**) faces seven charges under s 13(i) of the Fair Trading Act 1986 (**FTA**). The defendant also faces seven charges each under s 13(g) of the FTA, which are filed in the alternative to the s 13(i) charges.
- 1.2 The charges relate to misrepresentations as to the funding Kowhai was receiving under the Ministry of Education's Early Childhood Education (**ECE**) scheme. In particular, Kowhai represented to parents that it was receiving significantly lower levels of funding than it in fact received. Kowhai then sought contributions from parents in order to make up the supposed shortfall between Kowhai's hourly rate and the represented government subsidy.
- 1.3 Specifically, the charges relate to:
 - (a) five invoices issued to parents that were sent out at the start of each school term between Term 4 2013 and Term 4 2014 (14 October 2013 to 13 October 2014; the **invoice charges**); and
 - (b) two letters sent to parents dated 5 May 2014 and 22 September 2014, (together, the **letter charges**).
- 1.4 There are accordingly seven charges against the defendant under s 13(i) of the FTA, and a further seven alternative charges each under s 13(g).
- 1.5 Kowhai, as the body that made the representations, is charged as the principal offender with respect to the invoice charges and with respect to the letters. The letters were sent by Mrs Brindle, the sole manager of Kowhai, on behalf of Kowhai.
- 1.6 The charges are set out in detail in **Schedule 1**.

Increase in maximum penalty

- 1.7 As noted above, the charges cover the period from 14 October 2013 to 13 October 2014 (**charge period**). The offending conduct therefore spans the increase in maximum penalty under the FTA, which took effect on 17 June 2014. The maximum penalty for a body corporate increased on that date from \$200,000 to \$600,000, and the maximum penalty for an individual from \$60,000 to \$200,000.
- 1.8 The charges relating to the invoices issued in July and October 2014 and the September 2014 letter fall under the current increased penalty provisions. The remaining charges fall under the previous regime.

2 Defendant

- 2.1 Kowhai was registered on 24 June 1998 and throughout the charge period operated a pre-school out of its premises in Orakei, Auckland.

3 Management of Kowhai

- 3.1 Kowhai was managed throughout the charge period by Rebecca Brindle. She holds 50 per cent of the shares in Kowhai. Mrs Brindle was also a director of Kowhai from its registration until 1 July 2013.

4 Operation of the business

- 4.1 Kowhai provides early childhood education services to children from two to six years of age. Kowhai derives income from government funding and from contributions it seeks from parents.
- 4.2 Throughout the charge period, Kowhai was trading under the name "Kowhai Montessori Preschool". The preschool currently operates as "Ōrākei Montessori Preschool" (**Ōrākei**).
- 4.3 Ōrākei's website records that a new owner and manager of the preschool took over in or about January 2016. It is unclear what interest the new owner has in the pre-school but, as noted above, Mrs Brindle currently holds 50 per cent of the shares in the company.

Responsibility

- 4.4 During the charge period, Mrs Brindle was the only person with decision-making responsibilities at Kowhai. In particular, Mrs Brindle was responsible for:
- (a) receiving and processing all childcare enrolments;
 - (b) recording children's attendance details;
 - (c) employing and managing all staff;
 - (d) setting childcare fees and communicating those fees to parents;
 - (e) producing invoices and sending invoices to parents;
 - (f) managing Kowhai's business bank accounts (to which she had sole access);
 - (g) overseeing all written communications to parents; and

(h) managing all contact with the Ministry of Education.

4.5 Mrs Brindle maintains that Kowhai has not retained any full invoices from the charge period and has no electronic records of those invoices.

ECE funding

4.6 Under the ECE scheme, all children from three to five years of age are eligible to receive ECE funding for their care at an approved ECE service provider or kōhanga reo. The ECE scheme is administered by the Ministry of Education and comprises two parts:

(a) the **20 hours ECE scheme**: under which the Ministry of Education pays a prescribed hourly rate to the ECE provider for each hour of ECE a child attends, up to 20 hours per week (and no more than 6 hours per day); and

(b) the **Plus 10 hours ECE scheme**: which operates in addition to the 20 hours ECE scheme. Under this scheme the Ministry pays a lower prescribed hourly rate to the ECE provider to subsidise 10 hours of ECE beyond the hours provided for under the first scheme.

4.7 No compulsory fees can be charged by the ECE provider in respect of the hours provided for under the 20 hour scheme. Compulsory fees may be charged by a provider for the hours exceeding the 20 hour weekly funding period, including for hours a child attends over the 6 hour daily limit, but these fees must incorporate any subsidy the provider has received under the Plus 10 hours ECE scheme (where applicable).

4.8 Funding under the ECE scheme is primarily designed to reduce the cost of ECE services for parents, which in turn encourages greater participation of children in education from an early age. The structure of the funding also incentivises providers to employ fully qualified staff. The highest funding bracket is available only to those providers who have at least 80 per cent of staff who are fully qualified teachers. Kowhai moved into the highest funding bracket in February 2014.

5 Misleading representations

Invoices

5.1 At the start of each school term, Kowhai sent invoices to parents setting out the fees payable for that term. In respect of the invoices issued for each of Term 4 2013 through to Term 4 2014, the invoices set out Kowhai's hourly rate and misrepresented the ECE subsidy it was receiving. The difference between Kowhai's hourly rate and the represented ECE subsidy was the amount that Kowhai invoiced to parents. The shortfall was described variously as an "optional fee" or a "parental contribution".

5.2 **Schedule 2** sets out the representations contained in those invoices in more detail. For instance, on the invoices dated 13 October 2014, Kowhai advised parents that its hourly rate was \$13.70, of which \$4.70 was subsidised under the 20 hours ECE scheme. Kowhai was therefore charging parents \$9.00 per hour. The invoices misrepresented the level of the hourly subsidy and made no mention of the Plus 10 hour funding Kowhai was receiving.

5.3 **Schedule 3** compares the actual ECE subsidy rates throughout the charge period with the subsidy rates as represented by Kowhai on the invoices. For instance, on 13 October 2014 Kowhai represented that the ECE subsidy was \$4.70 per hour; in fact, the subsidy under the 20 hours ECE scheme was \$11.43 per hour, and the subsidy under the Plus 10 hours ECE scheme (where applicable) was \$6.70 per hour.

Letters to parents

- 5.4 The defendant is charged in respect of two letters that were sent by Mrs Brindle to parents of children enrolled at Kowhai.
- 5.5 The first letter, dated 5 May 2014, advised parents that Kowhai's fees were set to increase from Term 3 2014. In particular, the letter advised that the increased fees were based on an "hourly rate" of \$13.70, comprising of:
- (a) a "20 hours ECE contribution" of \$4.70; and
 - (b) a "parental contribution" of \$9.00.
- 5.6 At the time the letter was sent, and for Term 3 2014, Kowhai was in fact receiving funding of \$11.33 per hour under the 20 hours ECE scheme, and additional subsidies under the Plus 10 hour ECE scheme.
- 5.7 The second letter, dated 22 September 2014, advised parents that the parent contribution sought by Kowhai was set to decrease in light of "the extra funding announced in this year's government budget". In particular, the letter advised that from Term 1 2015, Kowhai's fees would be based on an "hourly rate" of \$13.70, comprising of:
- (a) a "20 hours ECE contribution" of \$5.70; and
 - (b) a "parental contribution" of \$8.00.
- The letter misrepresented the level of the hourly ECE contribution and no mention was made of the funding received by Kowhai under the Plus 10 hours ECE scheme.
- 5.8 In effect, the representation was that the subsidy was set to increase by \$1 as from January 2015, leading to a total subsidy of \$5.70. In fact, the subsidy received by Kowhai under the 20 hours ECE scheme was - and was still set to be - \$11.43 per hour.
- 5.9 On or about 15 May 2014, the government signalled that it would increase ECE funding by around 1 per cent. That increase came into effect on 1 July 2014. The funding increase entitled Kowhai to claim an additional 10 cents per hour under the 20 hours ECE scheme, bringing its total hourly subsidy to \$11.43.
- 5.10 On 21 July 2014, Kowhai sent invoices to parents representing that the ECE subsidy amounted to \$4.70 per hour. No reference was made to the increased funding announced in the budget, which had since taken effect.
- 5.11 On 10 September 2014 – two weeks prior to the 22 September 2014 letter – a concerned parent wrote to Mrs Brindle questioning the fees charged by Kowhai and, in particular, Kowhai's calculation of the ECE subsidy rate. Mrs Brindle did not respond directly to that parent, but her next formal communication to parents was the 22 September 2014 letter, which purported to apply an increase in government subsidy of \$1 per hour, effective as from Term 1 2015.
- 5.12 The government had not announced any funding increase set to take effect from January 2015, nor was any such increase implemented in fact.

6 Unlawful gain and detriment

Unlawful gain

- 6.1 Parents were required to pay only that portion of the prescribed hourly centre fee that exceeded the government ECE subsidy. Accordingly, the unlawful gain received by Kowhai equalled the amount of undisclosed subsidy.
- 6.2 During the charge period, Kowhai received \$199,105.68 in funding under the 20 hours ECE scheme that was not disclosed to parents.
- 6.3 Kowhai also received funding under the Plus 10 hours scheme, none of which was disclosed to parents. The funding Kowhai received under this scheme throughout the charge period amounted to \$22,526.47.
- 6.4 In total, Kowhai received \$221,632.15 in undisclosed ECE funding during the charge period.

Broader detriment

- 6.5 The ECE program was introduced by the government to make early childhood education more affordable, and to thereby encourage more children to be enrolled at ECE service providers. By misrepresenting the amount of subsidy that it was receiving, Kowhai undermined the purpose of the program by causing its ECE services to be more expensive than they ought to have been.
- 6.6 Many parents would have chosen to enrol their children at Kowhai at least partly because the centre was an ECE service provider and therefore their children would be eligible for subsidised care. Those parents did not receive the full benefit of that subsidy, despite choosing Kowhai because it was an ECE service provider. Other parents may have decided to not enrol their children at all or for a reduced number of hours, because the cost of the service was too high based on Kowhai failing to properly apply the government subsidy to the hourly rate it was charging those parents.
- 6.7 Based on the defendant's misrepresentations about the level of funding Kowhai was receiving, parents also considered that Kowhai was under-funded, which led many to donate their time to help with the upkeep of Kowhai's building and grounds. Other parents donated toys and spent time in the classroom. These efforts resulted in a benefit to Kowhai on a scale that it is unlikely to have experienced had it disclosed the true level of funding it received.
- 6.8 Offending of this nature not only undermines the purpose of the program, but is also likely to undermine parental confidence in the reliability of ECE providers more generally.

7 Defendants' statement

- 7.1 In response to an information request from the Commission, Mrs Brindle provided the correct ECE subsidy figures for each school term within the charge period.
- 7.2 Mrs Brindle attended a voluntary interview with the Commission on 30 July 2015.
- 7.3 The only explanation for the misrepresentations offered by Mrs Brindle was that she was told to calculate the hourly rate for ECE funding by subtracting the Plus 10 hour ECE funding rate from the 20 hour rate.

- 7.4 Mrs Brindle could not offer an explanation for why she had adopted this measure to calculate the total ECE subsidy. She also declined to provide the name of the person who told her to calculate the ECE subsidy in this manner.
- 7.5 When asked about the total amounts of funding Kowhai was receiving from all sources – parental contributions and actual ECE subsidies – Mrs Brindle chose not to answer the question “because I don’t have an answer.”
- 7.6 The defendant has no previous convictions.

Schedule 1: Summary of the charges

Section 13(i) charges– false or misleading representations as to the existence or effect of a right (invoices)

(Kowhai x 5)

- 1 Section 13(i) charges relating to misrepresentations contained on invoices issued to consumers that the applicable ECE subsidy rate was \$4.70, when in fact the subsidy rate was:
 - (a) \$10.32 (20 hours) and \$5.73 (Plus 10 hours) from October 2013 to January 2014;
 - (b) \$11.33 (20 hours) and \$6.64 (Plus 10 hours) from February 2014 to June 2014; and
 - (c) \$11.43 (20 hours) and \$6.70 (Plus 10 hours) from July 2014 onwards.
- 2 These charges are representative charges, filed on the basis of one charge for each invoicing period. Kowhai invoiced parents at the start of each school term. Accordingly there is one charge for each of the seven school terms within the charge period.

Section 13(g) charges– false or misleading representations regarding the price of services (invoices)

(Kowhai x 5)

- 3 Section 13(g) charges relating to misrepresentations as to the amount of the ECE subsidy received by Kowhai, and therefore the justification for the price of Kowhai's services.
- 4 These charges are filed in the alternative to the s 13(i) charges arising from the invoices. As above, the charges are filed on a representative basis.

Section 13(i) charges– false or misleading representations as to the existence or effect of a right (letters)

(Kowhai x 2)

- 5 Section 13(i) charges relating to misrepresentations contained in letters sent to parents as to the applicable ECE subsidy rates:
 - (a) the 5 May 2014 letter misrepresented that the amount of the subsidy was \$4.70 (in fact, \$11.33 (20 hours) and \$6.64 (Plus 10 hours)); and
 - (b) the 22 September 2014 letter misrepresented that the amount of the subsidy was \$5.70 (in fact, \$11.43 (20 hours) and \$6.70 (Plus 10 hours)).
- 6 These charges are particular charges arising from the two letters sent to parents by Kowhai.

Section 13(g) charges – false or misleading representations concerning the price of services (letters)

(Kowhai x 2))

- 7 Section 13(g) charges relating to misrepresentations contained in letters sent to parents as to the amount of the ECE subsidy received by Kowhai, and therefore the justification for the price of Kowhai's services.
- 8 These charges are filed in the alternative to the s 13(i) charges arising from the letters.

Schedule 2: Content of invoices

Invoice period	Total hourly rate claimed	ECE subsidy (as represented)	Parent charged
06/05/2013 – 12/07/2013	\$11.70	\$4.70	\$7.00
29/07/2013 – 27/09/2013	\$11.70	\$4.70	\$7.00
14/10/2013 – 20/12/2013	\$11.70	\$4.70	\$7.00
27/01/2014 – 18/04/2014	\$11.70	\$4.70	\$7.00
05/05/2014 – 04/07/2014	\$11.70	\$4.70	\$7.00
21/07/2014 – 26/09/2014	\$13.70	\$4.70	\$9.00
13/10/2014 – 19/12/2014	\$13.70	\$4.70	\$9.00

Schedule 3: actual subsidies compared to represented subsidies

Invoice period	Actual 20 hours ECE subsidy	Plus 10 hours ECE subsidy	ECE subsidy (as represented)	Notes
14/10/2013 – 20/12/2013	\$10.32	\$5.73	\$4.70	
27/01/2014 – 18/04/2014	\$10.32 <i>(January 2014)</i> \$11.33 <i>(from February 2014)</i>	\$5.73 <i>(January 2014)</i> \$6.64 <i>(from February 2014)</i>	\$4.70	The funding Kowhai was entitled to receive increased in February 2014, when at least 80 per cent of teaching staff became fully qualified (moving the centre to a higher funding bracket).
05/05/2014 – 04/07/2014	\$11.33	\$6.64	\$4.70	
21/07/2014 – 26/09/2014	\$11.43	\$6.70	\$4.70	Increased ECE subsidy rates were announced in the 2014 budget, which came into effect on 1 July 2014.
13/10/2014 – 19/12/2014	\$11.43	\$6.70	\$4.70	