



# Consultation feedback report:

- **Priorities for National and Regional Statements**
- **New network management regulations for licensed early childhood services**

## Tranche 2 of the Early Learning Regulatory Review

August 2022

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# Introduction

## Review of the Early Learning Regulatory System

The Ministry of Education (the Ministry) is currently undertaking a review of the early learning regulatory system. The purpose of the Early Learning Regulatory Review (the Review) is to ensure that the regulatory system for the early learning sector is clear and fit for purpose to support high quality educational outcomes. The Review is timely due to the significant changes in the sector since the current regulatory system was established in 2008, as well as proposed changes under the *He taonga te tamaiti - Every child a taonga: Early learning action plan 2019-2029* (action plan) and Review of Home-based Early Childhood Education.

The Review is being completed in different tranches to ensure high priority issues can be progressed in a timely fashion while allowing additional time for other matters that require further policy work and consultation. This consultation report covers feedback on the priorities for National and Regional Statements, and new network management regulations for licensed early childhood services.

## What is network management?

In 2019, as part of the action plan the Government set an objective that early learning services are part of a planned and coherent education ecosystem that is supported, accountable and sustainable.

One of the actions to support this objective is network management. Network management requires a person or entity wanting to establish a new licensed early childhood service to apply for the Minister of Education's approval that a proposed service is needed before any application for a licence can be made.

Network management only applies to early childhood services that:

- are required to hold a licence (all education and care centres such as Education and care, Kindergartens, and Playcentre); or
- wish to operate as a licensed service (home-based and hospital-based services).

Network management does not apply to playgroups.

An applicant is a person or entity that intends to govern and operate the service.

The following Māori immersion services are excluded from the requirement to seek network management approval:

- A kōhanga reo chartered to Te Kōhanga Reo National Trust, or
- A standalone early childhood service teaching its curriculum through te reo Māori at or close to full immersion to develop high levels of Māori language proficiency and use, or
- Māori immersion early childhood services that propose to teach in te reo Māori for the majority of the time and are affiliated to a gazetted peak body, or
- Māori immersion early childhood services that propose to teach in te reo Māori for the majority of the time and will be provided by or associated with a gazetted iwi or Māori organisation.

## Consultation and submissions

In April 2022, the Ministry of Education released a public consultation document outlining the proposed priorities for the National and Regional Statements and the new network management regulations.

Respondents could provide feedback on the proposals by completing an online survey (in English or Māori) or by sending a written submission by email to the Early Learning Regulatory Review mailbox. Two public online information sessions were also held (on 27 April and 3 May 2022), plus a Pacific services fono (17 May 2022) and Māori services hui (19 May 2022) to further engage with the sector. We also had two online meetings with the Early Learning Regulatory Review Advisory Group.

Consultation formally closed on 2 June 2022.

## Network management proposals

There are six main areas we sought feedback on:

1. Priorities for National and Regional Statements.
2. Information required in applications for network management approval.
3. Processing timeframes for the Secretary for Education and Minister of Education completing assessments and making decisions, as relevant.
4. How official notice of network management approval will be given and its contents.
5. Clear processes for:
  - i. The Secretary completing assessments of fit and proper status and financial viability
  - ii. Applying to amend the network management approval as anticipated by the legislation, such as the expiry date or conditions set.
6. A register of network management approvals and revocations that would not be specified in these regulations.

## Next steps

The feedback from this consultation will be used to inform final policy decisions on network management.

Network management for new licensed early childhood services will commence on 1 February 2023.

## Online submissions via the survey

The online survey received 69 responses. Information was collected about these survey respondents' ethnicity, region in which they reside, the stakeholder group and service type they were affiliated with.

### Region

Survey respondents were asked which region they lived in. Tai Tokerau | *Auckland*, Whanganui-a-Tara | *Wellington*, and Waitaha-Rēkohu | *Canterbury and Chatham Islands* together comprised just over half (51%) of all respondents.

Region	Total	Percent
Tai Tokerau   <i>Northland</i>	6	8.70%
Tāmaki Makaurau   <i>Auckland</i>	13	18.84%
Waikato	6	8.70%
Wairariki   <i>Bay of Plenty</i>	5	7.25%
Tairāwhiti   <i>Hawke's Bay</i>	4	5.80%
Taranaki-Whanganui-Manawatū	4	5.80%
Whanganui-a-Tara   <i>Wellington</i>	10	14.49%
Tau Ihu-Tai Poutini   <i>Nelson-Marlborough-West Coast</i>	1	1.45%
Waitaha-Rēkohu   <i>Canterbury and Chatham Islands</i>	12	17.39%
Ōtākou-Murihiku   <i>Otago-Southland</i>	3	4.35%
Other	3	4.35%
Prefer not to say	2	2.90%

### Stakeholder group

Survey respondents were asked to select the category that best described their connection to the sector. Most respondents identified as early learning service owners or managers (46%) and early learning teachers or educators (32%). Respondents were limited to selecting one category that they best identified with, although they could specify further by selecting 'other' in the text box option.

Connection to ECE	Total	Percent
Early childhood service owner or manager	32	46.38%
Early childhood service teacher or educator	22	31.88%
Early childhood service worker (other)	1	1.45%
Parent, whānau or caregiver	1	1.45%
Member of the general public	2	2.90%
Representative of a non-government organisation	2	2.90%
Other	6	8.70%
Prefer not to say	3	4.35%

### Type of early learning service

Survey respondents were asked what type of early learning service they were associated with. Respondents were largely associated with education and care centres (68%) and kindergartens (28%). Multiple categories could be selected for this question\*.

Service type	Total	Percent
Education and Care (Other)	35	50.72%
Education and Care (Puna Reo)	12	17.39%
Home-based	8	11.59%
Hospital-based	0	0.00%
Kindergarten	19	27.54%
Kōhanga Reo	1	1.45%
Playcentre	3	4.35%
Playgroup	0	0.00%
Other	5	7.25%
Prefer not to say	2	2.90%

\*This was a multi-response question, which enabled respondents to choose multiple categories. As such, the sum of the ethnicities is greater than 100%.

### Ethnicity

Survey respondents were asked to select the ethnicity or ethnicities that best described them\*. Most respondents were European (75%), with the second-largest population group being Māori (13%).

Ethnicity	Total	Percent
Asian	3	4.35%
European	52	75.36%
Māori	9	13.04%
Middle Eastern/Latin American/African	2	2.90%
Pacific peoples	8	11.59%
Other	5	7.25%
Prefer not to say	9	13.04%

\*This was a multi-response question, which enabled respondents to choose multiple categories. As such, the sum of the ethnicities is greater than 100%.

### Written submissions

We received seven detailed written submissions by email from the organisations listed below. No postal submissions were received.

### Organisation

#	Submitter
1	Tauranga Free Kindergarten Association (trading as Inspired Kindergartens Ngā Kōhungahunga Manawanui)
2	Canterbury Westland Kindergartens Association (trading as Kidsfirst Kindergartens)
3	Whānau Manaaki Kindergartens
4	Auckland Kindergarten Association
5	Montessori Aotearoa New Zealand
6	Early Childhood Council
7	Te Rito Maioha   Early Childhood New Zealand

## Method of analysis

The online survey submissions and the written submissions were analysed using a coding framework that organised survey data by question and theme. Most written submissions followed the structure of the online survey which allowed these submissions to also be analysed thematically. The submission excerpts presented for each question come from responses to the online survey and written submissions.

Where respondents discussed several issues related to a given proposal, these were cross-coded to multiple themes. In this way, respondents with comments that spanned multiple themes had their views captured in all appropriate places.

The most common themes are presented in this report. However, in some cases, more minor themes are included to enhance the understanding of other themes or add nuance to sector views. Feedback outside the scope of consultation has not been included in this report.

# Survey responses

In the online survey, survey participants were invited to express the extent to which they agreed with each aspect of the proposal or option being consulted on. Respondents could select 'strongly agree', 'agree', 'neutral', 'disagree', or 'strongly disagree'. A free-text box was also available for each proposal, which allowed respondents to provide written responses.

Survey participants were not required to answer every question, and participants who did not respond to a question were excluded from the denominator. For example, if 54 people agreed to the question and there were 66 responses to the question, this would be recorded as 82% agreement rather than the total number of survey participants (69), which would equate to 78%.



# Priorities for National and Regional Statements

## Priorities for National and Regional Statements

### Explanatory text from the survey

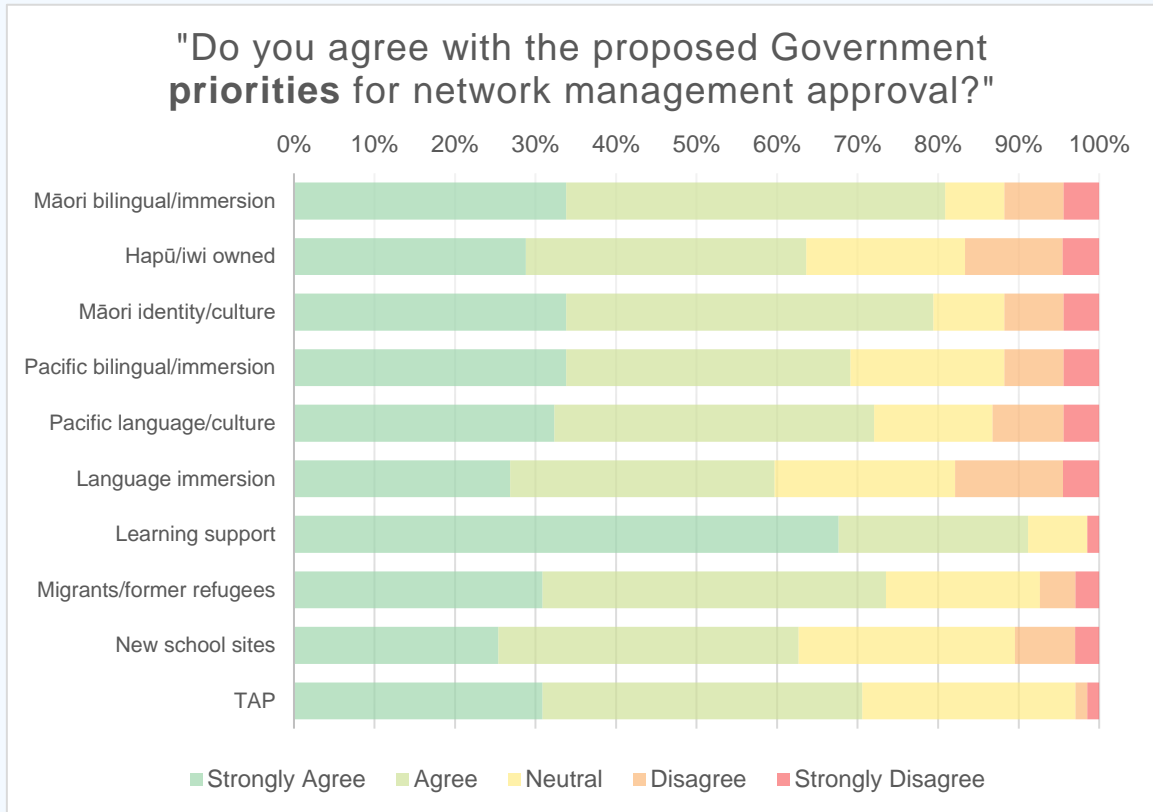
The proposed priorities for network management were:

Priority	Definition
Māori bilingual and immersion services (that are not excluded from the requirement to seek network management approval)	<p>Services where te reo Māori is used at least 51% of the time as a medium of instruction.</p> <p>This priority would not be necessary for services that come within the proposed exclusion.</p>
Hapū/iwi-owned services	Services that are majority owned by hapū or iwi
Services with a distinct Māori identity and culture	Services that have a distinct Māori identity and use Māori cultural practices and values that inform the service provision
Pacific bilingual and immersion services	Services where a Pacific language is used at least 51% of the time as a medium of instruction
Pacific language and/or cultural services	Services that have distinct Pacific identities, cultural practices, languages and values that inform the service provision
Language immersion services (non-English/Māori/Pacific)	Services where a language other than English, Māori or a Pacific language is used at least 51% of the time as a medium of instruction.
Services well-equipped for learning support needs	<p>Services with a particular focus on providing services and support to children with a range of learning support needs.</p> <p>Services will need to demonstrate how they intend to provide facilities, support staff, and other resources to support tamariki with learning support needs, including access, resources within the centre, and any health support unique to this priority.</p>
Services well-equipped for migrants and former refugees	<p>Services that are well-equipped for supporting children and communities with migrant and/or refugee backgrounds.</p> <p>We would expect applications from providers in regions where there are significant migrant and/or former refugee communities.</p> <p>We would expect to see services that intend to employ people:</p> <ul style="list-style-type: none"> <li>• from relevant ethnic, linguistic, or religious backgrounds</li> <li>• with lived experience as a migrant or former refugee</li> <li>• with relevant qualifications (e.g., ESOL/TESOL)</li> </ul>
Services planned to operate on a new school site	Services that are planned to operate on a newly built school site

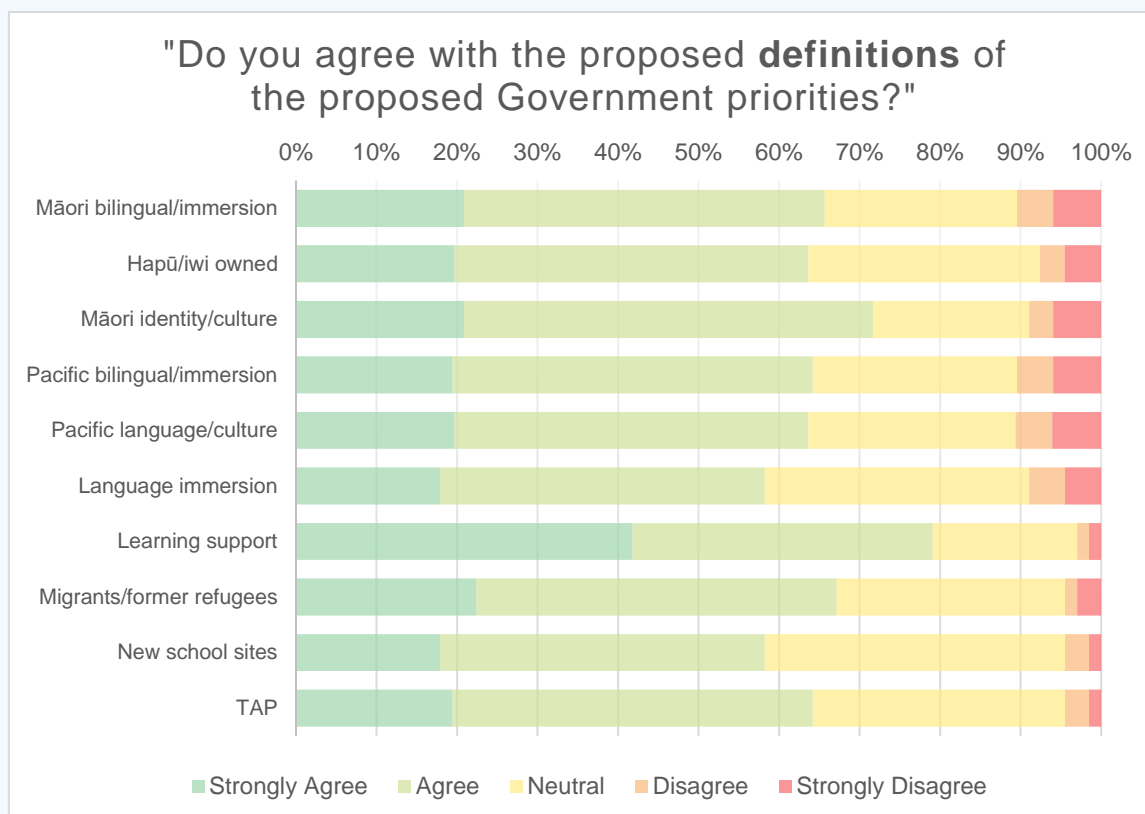
Organisations funded by Targeted Assistance for Participation (TAP)

Organisations that already have funding approved through Targeted Assistance for Participation (TAP)

**Question 1: Do you agree with the proposed Government priorities for network management approval?**



## Question 2: Do you agree with the proposed definitions of the proposed Government priorities?



### Support for the proposed priorities

Overall, there was strong support for each of the proposed Government priorities for network management, in particular the way they covered diverse communities.

"This is a good selection and reflective of needs in the sector." – **Kindergarten teacher or educator**

"We agree with the proposed priorities and their definitions. We support the priorities as they will help ensure that there is a diversity of service provision in early learning services." – **Tauranga Regional Free Kindergarten Association**

"We agree with the proposed priorities as they will help ensure that there are culturally appropriate accessible and diverse services to meet community need." – **Whānau Manaaki Kindergartens**

"We agree with the proposed priorities listed in the consultation document and are pleased to see Pacific cultural services as well as Pacific bilingual and immersion services included." – **Te Rito Maioha | Early Childhood NZ**

"We have to give voice to Ka Hikitia and the Treaty of Waitangi – that is policy and

embedded in law." – **Member of the general public**

"We agree with the proposed priorities and their definitions. We support the priorities as they will help ensure that there is a diversity of service provision in early learning services." – **Auckland Kindergarten Association**

### Other additional priorities were suggested

Many submissions called for additions to the list of Government priorities. Several respondents to the survey recommended the addition of **community-based services**.

"Community based/ not for profit services - such as kindergarten" – **Kindergarten teacher or educator**

"Other community-based services should be given priority, as supporting these services will also help ensure diversity of provision and that community needs are met." – **Kindergarten owner or manager**

"We would also like to see priority given to community based centres, to ensure that family's financial circumstances don't preclude their child's participation" – **Representative of a non-government organisation**

“Community-based services should be given priority, as these services will ensure diversity of provision and that community needs are met ... [they] are prohibited from making financial gains, so all funding received is for the benefit of whānau and tamariki” – **Whānau Manaaki Kindergartens**

Several submissions recommended adding services which provide additional **wrap-around support** for families to the list of Government priorities.

“Add services well equipped for providing additional social service wrap around support for families.

In addition to learning support needs, the Early Learning strategic plan 2019-2029 (objective 2) prioritises wrap around social services to children and their whanau.” – **Barnados New Zealand**

“Services who incorporate whānau support across sectors.” – **Anonymous survey participant**

Three submissions wanted services in **low socio-economic areas** to be listed as a priority.

“Services in low socio-economic areas.” – **Kindergarten owner or manager**

“Possibly the addition of servicing a low socio-economic community with the intention of helping that community” – **Kindergarten teacher or educator**

“In low socio-economic area, access to ECE for all children is paramount” – **Canterbury Westland Kindergartens Association**

In addition to the proposed priority for services on new school sites, two submissions called to prioritise **services on existing school grounds**.

“Services on existing school grounds” – **Education and care owner or manager**

“Services on existing school sites” – **Kindergarten teacher or educator**

Some called for **forest kindergartens** or **environmentally based centres** to be prioritised.

“Forest kindergartens. Plethora of research to indicate rich teaching and learning opportunities. Aligns with a Te Ao Māori perspective and raising environmentally responsible citizens.” – **Montessori teacher or educator**

“I would like a classification for environmentally based centre- learning through the natural world, focus on sustainability, possibly semi rural situated” – **Kindergarten teacher or educator**

**Rural and isolated services** were suggested as a priority.

“What has happened to Rural and Isolated? And what about service types where no other exists?” – **Kindergarten owner or manager**

“There is no reference to rural and isolated provision. Surely we must look at where there is no provision and prioritise these areas. Viability would still be an issue, and we would support a funding model that recognises the significant additional costs of operating in isolated areas, as in the compulsory sector. Equally, some incentives must be given to address teacher supply issues and accommodation in these areas.” – **Canterbury Westland Kindergartens Association**

Services with a **special character or philosophy** were recommended as a priority by some.

“What about services that service a special character in the community, a point of difference not mentioned above i.e., Faith based” – **Education and care owner or manager**

“We are very concerned that services with specific philosophies, such as Montessori, are not on the priority list.” – **Montessori Aotearoa NZ**

“We note that services with specific philosophies such as Montessori are not on the priority list so hope that the unique philosophies of such services is taken into consideration at a regional level” – **Te Rito Maioha | Early Childhood NZ**

Numerous other communities and service offerings were suggested as priorities.

“Privately owned services catering for all ethics” – **Education and care owner or manager**

“I feel biculturalism and supporting additional needs should be the first priority in this list.” – **Education and care owner or manager**

“The emphasis should be on above minimum standards.” – **Representative of a non-government organisation**

“Education and care services that have opted into the pay parity funding rates should be given priority over education and care services that have not opted in.” – **Kindergarten owner or manager**

“Services that employ 100% trained EC teaching staff and trained assistants.” – **Member of the general public**

“Your priorities you are proposing lack the basic one which is for parents to have an ECE

centre to send children to while they are at work.” – **Education and care teacher or educator**

language/cultural services are separate entries? Presumably the latter is a looser/more flexible requirement, which also captures the former?” – **Member of the general public**

### **Priorities or could be merged or condensed**

Some submissions highlighted some perceived duplication within the proposed priorities and expressed a desire to see the list shortened.

“I think the priorities can be condensed as they are targeting the same groups.” – **Puna reo owner or manager**

“Don't understand why Pacific bilingual/immersion services and Pacific

# New network management regulations for licensed early childhood services

## Regulations (1 of 5): Information required in applications

### Explanatory text from the survey

The regulations would outline the information required from applicants.

We propose the regulations outline that an applicant must complete a form provided by the Ministry of Education and must include the following four matters:

1. whether approval is sought to apply to operate a licensed:
  - i. early childhood education and care centre; or
  - ii. home-based education and care service; or
  - iii. hospital-based education and care service
2. information about the applicant
3. information about the proposed service
4. information that enables the Minister of Education and Secretary for Education to assess whether the service meets sections 17 and 18 of the Education Act, including any relationship with any National and Regional Statements issued.

See the outline below for a more detailed overview of the information requirements that would be set out in the application form:

### Outline of information likely to be required in applications

The kind of information that would be required in an application would include:

#### *Information about the applicant*

- The applicant's name and contact details (and list of governance members and contact details if the applicant is an entity)
- A nominated contact person

#### *Information about the proposed service*

- The proposed location of the service
- The proposed size of service and operational hours
- The proposed date the applicant intends to apply for a licence (which must be a date of 2 years ahead or less)
- A detailed description of the service proposed including any special characteristics of the proposed service, e.g., philosophy (if any).
- Any affiliation to an existing licensed service; service provider, or other organisation (if any) – including all those of the governance members and if the applicant is an entity.

*Information that enables the Minister of Education and Secretary for Education to assess whether the service meets sections 17 and 18 of the Education Act.*

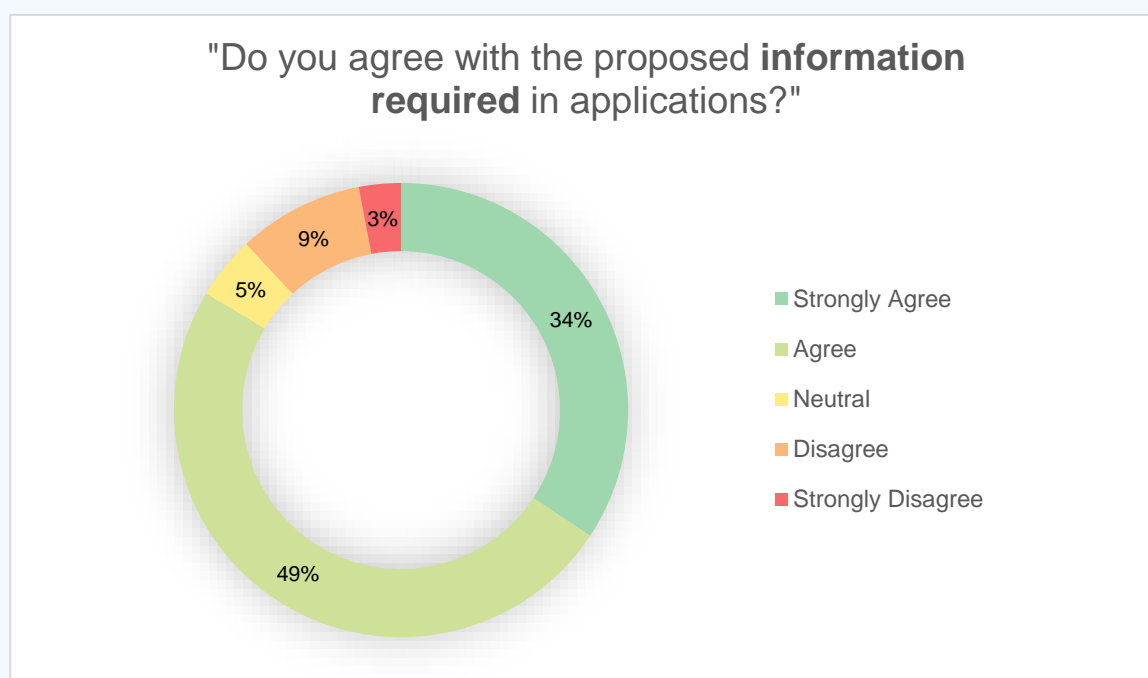
- Any other information required under sections 17 and 18 of the Education and Training Act 2020, including:

- i. A detailed description of the relevant attributes of the area to be served, including (without limitation) the demography of the area, the needs of the communities in the area, the needs of the children in the area, and the availability of licensed early childhood services in the area with different offerings (for example, the provision of te reo Māori)
- ii. How the proposed service gives effect to the National or Regional statements
- iii. Information to inform the fit and proper status assessment
- iv. Any financial information that demonstrates the applicant has either sufficient finances to establish the service and/or a business plan to show how sufficient finances will be attained to achieve licensing. Evidence may include an annual report or statements from appropriate financial institutions, and/or a business plan.
- v. A list of services that the applicant has been in control of or had any role as governing member. The applicant would also need to provide the relevant years of the association
- vi. Information to inform the capability assessment.

## Why?

A network management approval will be a formal record, like a licence certificate is for licensing purposes. It is necessary that all this information is included in an official notice so the applicant is clear what approval has been provided and what requirements they must continue to meet.

**Question: Do you agree with the proposed information required in applications?**



## Support for providing a detailed description of the relevant attributes of the area to be served

Many respondents expressed their support for the proposed information requirements, including area demographics and community need.

"Area analysis/demographics info. Population data (as no allowance has been made for

areas of growth or service hours/numbers to meet community demand e.g., working whānau. Many services listed will run school days)." – **Education and care owner or manager**

"Information about how the service meets the 'certain type' of service the MoE has identified is needed, including demography, community



and children's needs." – **Member of the general public**

"Why the service is needed - and evidence." – **Kindergarten owner or manager**

"Information about the impact or contribution to the local community" – **Kindergarten teacher or educator**

"Whether there is a need for this service i.e. there are the children to attend and this is sustainable." – **Kindergarten owner or manager**

"Should ask why the proposal is being submitted & why the applicant deems a new service is required in the area such as centre place shortage, new housing development etc." – **Puna reo owner or manager**

"The provider should also be able to demonstrate their commitment and ability to provide a service that meets the educational needs of all learners ... This may be in a new housing area where there is currently no evidence (Stats) to show the number of children within the area. It may be an area where there is a 5k radius to another centre." – **Education and care owner or manager**

### **Qualifications and experience of the service provider**

Some respondents recommended requiring the qualifications and track record of the applicant to be disclosed in the application.

"If an owner is to run an ECE centre they should have ECE qualifications." – **Education and care teacher or educator**

"Qualifications/experience of Service Provider (are they from an education background?)" – **Education and care owner or manager**

"Past endeavours in education - Previous concerns from MOE under a different name or partnership" – **Education and care owner or manager**

"Numbers of qualified teachers over and above minimum requirements. Organisations should not be able to open further centres if serious concerns have been justified regarding the quality of care in other services under their umbrella." – **Representative of a non-government organisation**

### **Philosophy**

Two respondents were interested in seeing the philosophy of the applicant or service signalled in the application.

"Their philosophy & their experience at developing teams to care for and educate our tamariki." – **Education and care owner or manager**

"Philosophy" – **Education and care owner or manager**

### **Other recommendations**

Several other recommendations were made about the information required in applications.

"We think seeking information on an applicant's affiliation to other licensed service providers will be helpful for the Secretary's assessment of not only the applicant's capability to run an ECE service, but also their suitability (i.e., are they fit and proper)." – **Te Rito Maioha | Early Childhood NZ**

"With existing entities looking to expand their number of services...would there be a requirement to provide transparency around stability of teaching staff, professional development of staff historically, a review of reinvestment of profits into their business to maintain quality of service at the Centres they already run." – **Anonymous survey participant**

"Financial operation and proposed "profit" margins." – **Kindergarten teacher or educator**

"Any information regarding conflict of interest needs to be included in the application." – **Barnados New Zealand**

"Stakeholders regional feedback from whānau iwi" – **Anonymous survey participant**

### **Concerns**

Some respondents were concerned about the information required, in particular the difficulty for some applicants to obtain and provide this information and the ability for information to be withheld.

"It is possible for an applicant to not disclose information, so how does the MOE check across all regions the history of a service provider. Currently there is one service provider that seems to establish, sell, establish, sell and then MOE regional is putting



in SELO with the new owner. How can you prevent that happening and not rely solely on the information the service provider gives you.”

**– SELO supplier**

“I am concerned about whether community based organisations can operate new ECE services under this framework, especially new services (ie without a track record) Support should be given to community based organisations which are more likely to be successful in targeting and meeting the needs of the identified groups.” – **Kindergarten**

**teacher or educator**

“We strongly consider that this information [on supply, forecast growth, demand and need for licensed early childhood services] be provided by the Ministry ... It would be onerous to expect applicants to do the data analysis, forecasting and modelling themselves.” –

**Tauranga Regional Free Kindergarten Association**

## Regulations (2 of 5): Processing timeframes

### Explanatory text from the survey

We heard from our engagement with the sector last year and during the Select Committee process considering the Supplementary Order Paper how important it is for there to be clear processing timelines for network management.

We propose that:

- The Secretary would be required to take all reasonably practicable steps to complete assessments of a complete application under section 18 of the Act within 30 working days. Section 18 covers both fit and proper and an initial assessment of financial viability.
- Subject to the Minister's ability to consider applications together, the Minister of Education would be required to endeavour to issue a decision on network management approval within 30 working days after receiving assessments from the Secretary for Education.

Under our proposals, a decision on a network management application would be expected within 60 working days (generally 12 weeks). The timeframe for each stage of the decision-making process would only start once the applicant has provided all the necessary information. If the Minister of Education or Secretary for Education requests more information for an application, the application will be considered incomplete until that information is provided by the applicant.

The Minister's timeline for decision making would not apply if multiple applications are received for the same area, or for the same community, and the Minister wants to consider all completed applications at the same time. Applicants would be notified if their application processing timeframe is being affected by other applications for the same area.

### Amendments

It is proposed that an application to amend an approval (such as amendments to a condition or the expiry date as permitted by the legislation) would follow a similar approach. The Minister would endeavour to issue a decision within 30 working days, provided that all relevant information has been provided with the application

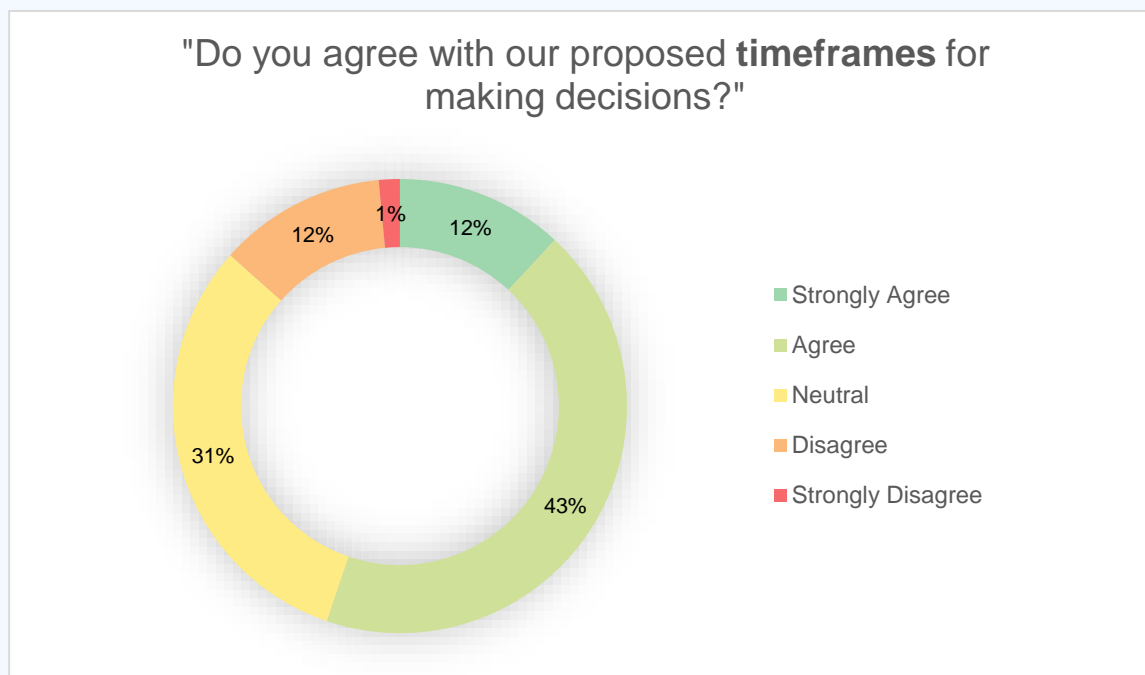
### Why?

Our proposed timeframes allow the following:

- The Secretary for Education's timeframe anticipates 16 working days to assemble information and undertake analysis, seven working days for a final decision and seven working days to provide advice to the Minister of Education (in a briefing note or similar).
- The Minister of Education's timeframe anticipates seven working days for the Minister's office to ensure the Minister has all the required information, 14 working days for the Minister to consider the advice and nine working days for a decision to be made and communicated back to the applicant.

The licensing regulations require the Secretary for Education to take all reasonably practicable steps to ensure a decision on a probationary licence is made within 30 working days. Licensing is one stage (just the Secretary) and network management involves two stages of decision making (the Secretary and then the Minister).

### Question: Do you agree with our proposed timeframes for making decisions?



#### Support for the proposed timeframes

A majority of respondents agreed with or were neutral to the proposed timeframes for the decision-making process.

"We agree with the proposed timeframes of 30 working days for the Secretary of Education and the Minister of Education, resulting in a decision on a network management application being expected within 60 working days." – **Tauranga Regional Free Kindergarten Association**

"Need to ensure each application is assessed robustly - so time frame needs to be sufficient for that to occur" – **Kindergarten teacher or educator**

"As long as it's fair and background of people are checked" – **Education and care teacher or educator**

"While 30 days for each step in the process (Secretary's recommendation and Minister's decision) may seem a long time, we understand the complexity of information to be assessed. We are pleased to see a breakdown of the proposed timeframes." – **Te Rito Maioha | Early Childhood NZ**

"We agree with the Minister having a different timeline if multiple applications are received for the same area, or for the same community. We consider there is value in the Minister

considering all completed applications at the same time, to help prevent a 'first in, first served' scenario." – **Kindergarten owner or manager**

"We agree with a different timeline if multiple applications are received for the same area, or for the same community." – **Whānau Manaaki Kindergartens**

#### The timeframes should be shorter

There were several submissions which called for a shorter timeframe for decision-making, some of them relating the process to the 20-working-day timeframe for resource consent.

"I would think a 21 working day for each stage should be sufficient, 60 working days is a long process" – **Home-based owner or manager**

"It should reflect the process of councils -20 working days and a maximum of 2 RFIs. The maximum days should be 30 working days (20 initial maximum plus up to 5 additional days to review each RFI with a paused clock on awaiting an RFI response as per sent date)." – **Education and care owner or manager**

"Although this is a new process and may take some time to implement, the 60 working days (1/4 of a year) seems an extra-ordinary amount of time to decide on applications, given

resource consents can be granted within 20 working days and standard due diligence periods are between 14-30 days.” – **Puna reo owner or manager**

“This much of time will not help to small business players.” - **Anonymous survey participant**

“When buying a property for this you do not have the luxury of this time frame 20 working days is more reasonable” – **Education and care owner or manager**

“It should not take the MOE 30 days to respond” – **Education and care owner or manager**

“12 weeks is too long” – **Education and care owner or manager**

“Would like a faster time frame” – **Kindergarten teacher or educator**

### **Concerns that the proposed timeframe may be difficult to adhere to**

Some submissions expressed concern about the ability of the Secretary and Minister to make a decision within the proposed timeframe.

“The days mentioned 30 working days and 60 working days is it doable?” – **Education and care teacher or educator**

“I don't know how many people need to be working on applications; they might have to take staff from other areas when a lot of applications come in.” – **Education and care teacher or educator**

“If there is evidence that this licensing process is going to extend beyond 6 months then the organisation needs to be made a priority for

MOE to get it to approval or decline the application. Stress related concerns.” – **Education and care owner or manager**

### **Concerns about the decision-making process only starting once the applicant has provided all the necessary information**

Other respondents were concerned about the timeframe only starting once the application is complete:

“It seems a little unfair or backward resetting the clock just because the ministry requests further data.” – **Puna reo owner or manager**

“There are natural justice issues with this approach. For example, what if the Minister requests more information for \*one\* application, possibly being considered together with others? Does that one applicant then have the opportunity to provide more information while others do not? If I were applying, I might submit a strawman application with intentional gaps, just to get it in the system, while safe in the knowledge that the clock will restart and I can continually amend the application.” – **Anonymous survey participant**

## Regulations (3 of 5): Official notice of network management approval

### Explanatory text from the survey

Approved applicants will need to receive an official notice of network management approval outlining all the relevant details of the approval.

We propose that an official notice of approval to an applicant would include the following information which would be set out in regulations:

- Service type (centre, home-based, or hospital-based service)
- The applicant's name and contact details
- A list of all governance members assessed as fit and proper (if the applicant is an entity)
- A detailed description of the service proposed including any special characteristics of the proposed service, e.g., philosophy (if any)
- The proposed location of the service
- The proposed size of service
- The date of issue
- The date of approval
- The date of expiry of network management approval
- Any conditions and any associated dates to comply with those conditions
- Any other relevant information, including expected date of establishment

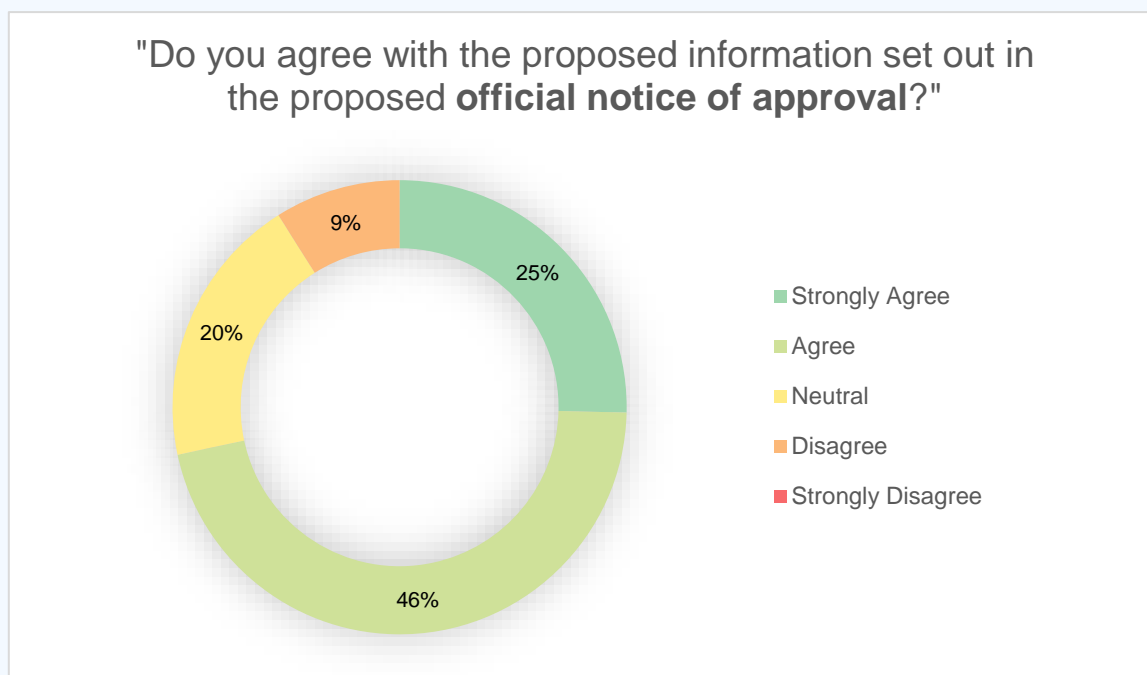
The notice will be part of the application requirements when the applicant applies for licensing at a Ministry of Education regional office.

If any changes are made to network management approval the notice would be reissued with the revised information.

### Why?

A network management approval will be a formal record, like a licence certificate is for licensing purposes. It is necessary that all this information is included in an official notice so the applicant is clear what approval has been provided and what requirements they must continue to meet.

**Question: Do you agree with the proposed information set out in the proposed official notice of approval?**



#### **Qualifications and experience of the provider should be included**

Several respondents suggested adding the experience or qualifications of the service provider to the notice of approval.

"What is the providers experience in delivering quality services?" – **Education and care owner or manager**

"They need to have ECE experience to be an owner ." – **Education and care teacher or educator**

"Qualifications" – **Anonymous survey respondent**

#### **Community need should be included**

Some submissions called for the community need for the service to be included in the notice of approval.

"What is the required need within the community for an additional ECE service?" – **Kindergarten teacher or educator**

"How many other learning centres are there and what is their vicinity to you?" – **Education and care teacher or educator**

#### **Other suggestions**

There were various other suggestions raised by respondents.

"Whether the service is providing both under and over twos." – **Anonymous survey respondent**

"Likely fee structure as this will help to assess fit with community." – **Anonymous survey respondent**

"It should include the process should you wish to extend the expiry date." – **Puna reo owner or manager**

#### **Thoughts on inclusion of special characteristics of the proposed service**

Respondents had contrasting thoughts on the inclusion of special characteristics in the notice (in particular, the philosophy of the service).

"The motivation for establishment. More focus on the philosophy and the benefits for the community" – **Education and care owner or manager**

"Don't believe a philosophy should be included in this. Keep the process black and white." – **Education and care owner or manager**

#### **Thoughts on proposed location**

Some submissions supported the inclusion of the proposed location in the notice, while others were concerned that some providers may not yet know their location.

“Where the service is going to be. Some areas are flooded with too many centres, so unless their type of centre is not available, this also needs to be taken into consideration.” –

**Education and care owner or manager**

“Size and location of service may not yet be established. A general area maybe available but sometimes if purchasing a property you don't know yet know what size you will be able to purchase and the size of the property determines the size of the centre” – **Education and care owner or manager**

“It is not clear what the consequences are for not meeting the requirements of approval, and by this stage a huge financial investment has been made.” – **Canterbury Westland Kindergartens Association**

### **Other concerns**

Some other concerns were raised around the procedure of granting approval.

“I am concerned about the fit and proper assessment. What information gathering and assessment goes on from the Ministry to find information from other regions if the service provider fails to disclose information” – **SELO supplier**

“We have no issue with this official notice. However, we are still concerned that changes may occur in the 1-3 years needed to establish that may impact on the ability to meet all requirements.

For example, the ability to recruit suitably qualified and skilled staff may impact on the delivery of a language-based programme. And although 50 new spaces may have been approved, during the first 1 – 2 years it would be best practice for staff and children to build to that number.” – **Canterbury Westland Kindergartens Association**

## Regulations (4 of 5): Processes

### Explanatory text from the survey

The regulations will set out a number of procedural matters for network management. We have developed proposals relating to:

- the Secretary assessing fit and proper and financial viability
- amendments to network management approvals.

#### **The Secretary for Education assessing fit and proper financial viability**

We propose that fit and proper would be assessed by the Secretary for Education using a statutory declaration by an applicant or all governance members (if the applicant is an entity).

#### **Amendments to network management approvals**

We propose that an applicant may seek an amendment to network management expiry date, or conditions at any time prior to expiry of the approval. An amendment is not permissible to the proposed service type or applicant as these are key features in the original approval.

A proposed amendment may be declined by the Minister of Education.

Any approved amendments would result in the approval notice being reissued and any information listed online being updated.

#### **The Secretary for Education assessing fit and proper financial viability - why?**

One of our approaches is to ensure consistency across licensing and network management where appropriate. Given network management and licensing involve the same fit and proper test we propose to assess them in the same way.

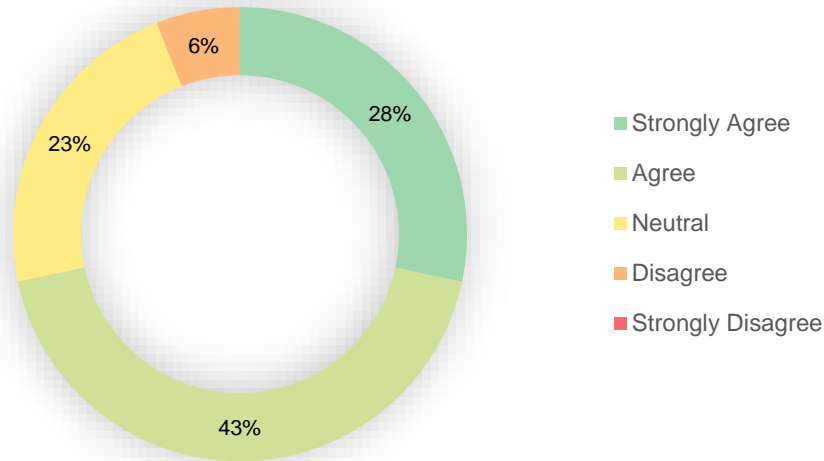
#### **Amendments to network management approvals - why?**

Network management approvals can last up to two years during which time a number of factors may have changed. It is important applicants have an opportunity to seek an amendment to cover changing and unforeseen circumstances.



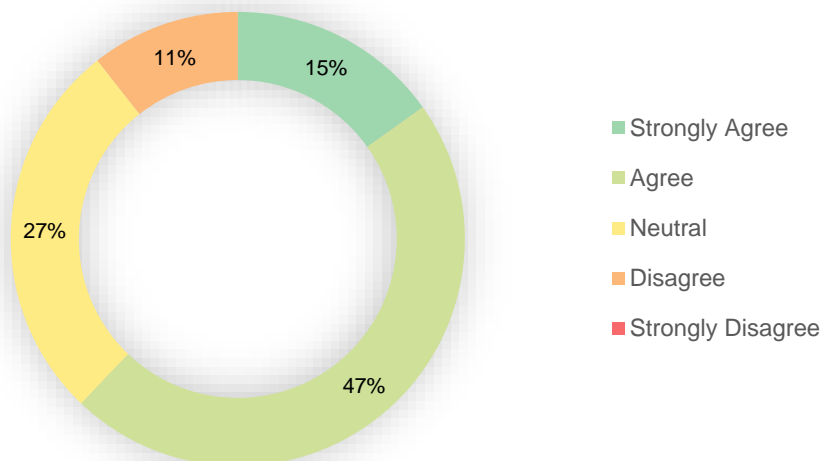
**Question 1: Do you agree with the proposal that the Secretary for Education assesses fit and proper using a statutory declaration by an applicant or all governance members (if the applicant is an entity)?**

"Do you agree with the proposal that the **Secretary of Education assesses fit and proper** using a statutory declaration by an applicant or all governance members (if the applicant is an entity)?"



**Question 2: Do you agree with the proposal to allow applicants to seek amendments to approval?**

"Do you agree with the proposal to **allow applicants to seek amendments** to approval?"



**Support for the use of a statutory declaration**

Some submissions voiced their support for the usage of a statutory declaration to be used by the Secretary to assess all governance members.

"We agree with the use of a statutory declaration as it matches what is currently used in an EC1 application. We also agree that all governance members of an entity be

included in the fit and proper tests.” – **Te Rito Maioha | Early Childhood NZ**

### **Concern that an applicant’s statutory declaration may not be accurate**

Some of the written submissions expressed concern that the Secretary for Education may not be able to verify the truth of the information contained in the statutory declaration, or that more evidence should be required.

“What if the service provider lies, omits information - what assessment does the Ministry do to verify the truth of the information in the statutory declaration? Some narcissistic owners find ways around these assessments - so the assessment by Ministry needs to verify the truth and be robust in analysing their history and financial stability.” – **SELO Supplier**

“I hope the relevant ‘powers that be’ has the experience and know how to follow this up.” – **Education and care teacher or educator**

“You cannot take what a person says to be true all the time you have to have it verified.” – **Education and care teacher or educator**

“More evidence apart from a statutory declaration.” – **Kindergarten teacher or educator**

“More information should be provided to the sector about background checks including checking social media is done by the MoE as well. The wording implies the MoE relies entirely on the stat dec which is not entirely true.” – **Retired ECE kaiako**

“A statutory declaration is not enough to establish fit and proper of any members. More investigation needed on this” – **Anonymous survey participant**

“We would also expect the Ministry to do some due diligence on the information provided in the statutory declaration.

For example, there should be some basic cross-checking of what services the applicant and governing members have been associated with, such as checking the registers maintained by the Companies Office. We would expect the Ministry to check its own licensing records in the assessment of licensing history under section 17, and suggest that the Ministry also take into account any complaints that have been lodged with the Ministry of Education. This would capture situations where there have been complaints which, while raising concern, have not reached

the threshold of a service’s licence being suspended.” – **Kindergarten owner or manager**

“Unsure of the ‘fit and proper person’ process - is it just the applicant providing a statutory declaration that they are a fit and proper person ... Or is there more to the process such as police vetting?” – **Home-based early childhood service worker**

### **Flexibility around governance members**

Some respondents suggested an allowance for greater flexibility around the governance members attached to an application

“I would like to see some flexibility in that a company like ours who is reputable can apply for a site should the opportunity arise and later in proceedings (if not already sourced), a franchisee would be added to the application for approval ... Sometimes an opportunity arises to take a site and develop it, however we do not always have the franchisee ready to operate the site- long lead time in the build and development and often we take time to fit the right person. To wait and find someone first could mean needing to release the site as it doesn’t always line up and could take too long as we could not sign the ATL if MOE demanded the franchisee onboard at the very beginning. Likewise, a centre manager or person responsible would not be known until later- i wonder if that will be a consideration.” – **Education and care owner or manager**

“There needs to be an allowance that someone can be removed from governance role. I.e. A company Director has a medical diagnoses and therefore is stepping out/ down, and a replacement can be submitted to be approved, similar for anyone not performing/failing compliance where partners (in the governance structure are).” – **Education and care owner or manager**

### **Uncertainty around financial viability**

There were some concerns that prospective services may not know their financial viability at the network management assessment stage.

“For a new entity to know if their venture is financially viable, they will often need to operate first. From first-hand experience I know that until you open and have been operating for some time, you hope and pray it is financially viable but can’t necessarily prove

that in advance.” – **Puna reo owner or manager**

“It would be hard to determine if they are first time business owners as to their ability to manage and keep the centre in the black.” – **Education and care owner or manager**

### **Support for ability to seek amendments to approval**

Some written submissions expressed support for an applicant having the ability seek amendments to the network management expiry date.

“We agree that applicants should be able to seek amendments to the network expiry date or conditions before the expiry of the approval.” – **Auckland Kindergarten Association**

“MANZ agrees that amendments to network management approvals can be made at any stage up to the expiry

date.” – **Montessori Aotearoa NZ**

“We agree that amendments to network management approvals will be able to be made at any stage up to expiry.” – **Te Rito Maioha | Early Childhood NZ**

### **Conditions on amendments**

Some respondents shared their views around which circumstances should allow for an amendment.

“[Amendments] should only be rarely used when there is a significant change to a community e.g., sudden earthquake and decrease in population in some areas and increases in others.” – **Retired ECE kaiako**

“Obviously it would depend on what the amendment is.” – **Kindergarten owner or manager**

“I think the ability of the applicant to apply for amendments could entrench their first mover advantage, in the absence of clear wording that sets out when an amendment could be applied for and why” – **Member of the general public**

“If a small standalone centre is taken over by a corporate chain, this should not be considered merely an amendment but a major change to the application which should not proceed.” – **Kindergarten teacher or educator**

## Regulations (5 of 5): Register of network management approvals and revocations

### Explanatory text from the survey

We propose that all network management approvals would be listed on a dedicated network management Ministry of Education webpage alongside any National and Regional Statements. Approvals would indicate the applicant's name, proposed service type (including any special characteristics), service size and area, and estimated date of establishment. This approval would remain on the website for as long as the approval is active.

All revocations of approval would also be notified publicly until the period of approval expires, including the primary reasons for revocation. The revocation would only be published after the period for appeal has expired. If an approval is revoked, it would be recorded in a separate section of the website until the period of initial approval expires. The purpose of this is to ensure that future applicants are aware of changes in approval status.

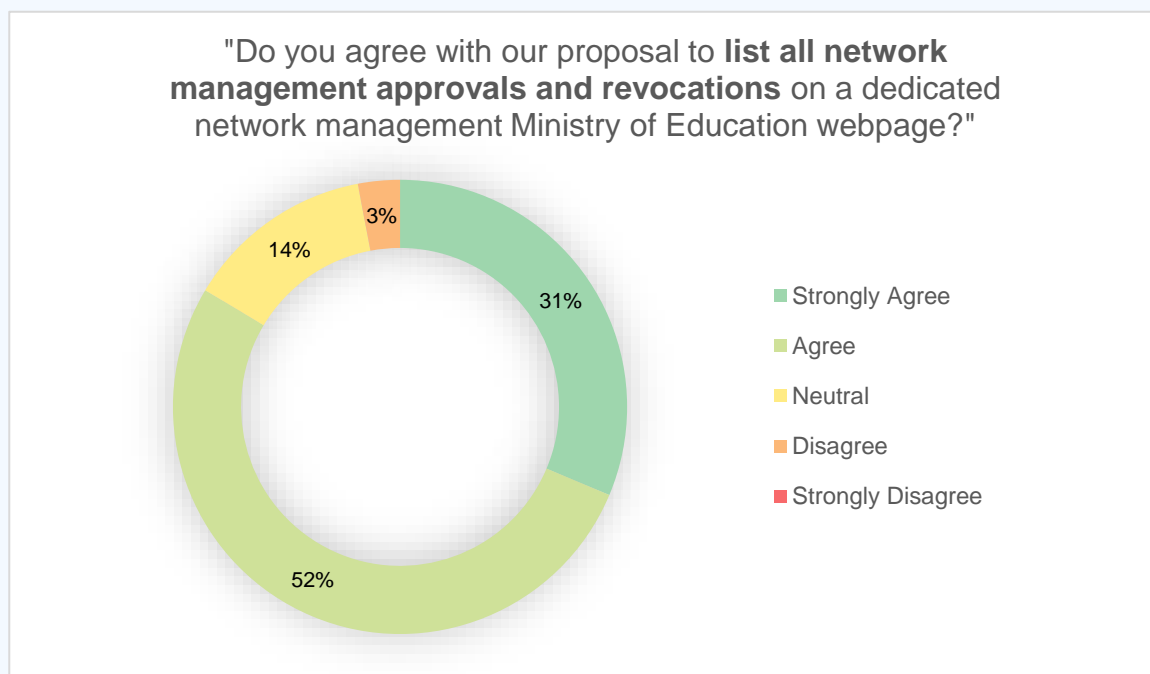
We do not propose to list declined network management applications.

### Why?

Proactive release of information promotes good government, openness and transparency, and fosters public trust and confidence in the decision-making. It is important that new applicants are aware of any network management approvals as this will impact on future applications and supplement information on supply provided in the national /regional statements.

Approvals of services in progress are just as important as understanding existing supply and demand. The rationale for providing the revocation details is to provide transparency around the decision-making for network management and to enable future applicants to see on what grounds approval has been revoked.

**Question: Do you agree with our proposal to list all network management approvals and revocations on a dedicated network management Ministry of Education webpage?**



## Support for listing approvals and revocations

There was widespread agreement that transparency around network approvals and revocations is important.

“Transparency is important to provide educational services. The whole point of network management is to better provide for families and communities as well as efficient use of public money.” – **Kindergarten teacher or educator**

“Transparency is needed. I agree with this.” – **SELO supplier**

“I think this is a great idea” – **Puna reo owner or manager**

“Full transparency is good.” – **Home-based teacher or educator**

“We agree with the proposal that all network management approvals be listed on a dedicated network management webpage” – **Tauranga Regional Free Kindergarten Association**

## Publishing pending applications

Some submissions expressed a desire for pending applications to also be listed.

“We also suggest that the webpage list applicants for a pending network management approval. This may encourage other potential applicants in the same area or community to make an application as well, thus enabling the Minister to consider multiple applications at the same time.” – **Tauranga Regional Free Kindergarten Association**

“We would like to see applications pending as this may influence a decision around areas of interest for service providers.” – **Canterbury Westland Kindergartens Association**

“We also recommend that the webpage list applicants for a network management approval (while their application is being assessed) ... Alternatively, potential applicants may decide not to apply if they are aware that other applicants are already in the process of applying for network management approval.” – **Auckland Kindergarten Association**

## Publishing declined applications

Some submissions called for the Ministry of Education to increase transparency by also publishing information about declined applications.

“It seems there would be benefit in publishing anonymised data on the number of applications declined in a particular area, if these were declined on the basis of over-supply. This information could be useful information for anyone thinking of establishing a centre in that area.” – **Representative of a non-government organisation**

“MANZ agrees with the register of network management approvals being publicly available but considers that declined applications should also be listed.” – **Montessori Aotearoa NZ**

“Who was declined and why. Once again be transparent.” – **Education and care owner or manager**

“While we agree that a register of network management approvals is publicly available on the Ministry’s website, we question why declined applications will not be listed. Basic information on declined applications could be useful information for a provider looking to set up a service in the same location.” – **Te Rito Maioha | Early Childhood NZ**

## Informing other applicants

Some respondents suggested that if there are multiple applications for the same area at the same time, all parties should be made aware of such.

“If there are other applications for the same area at the same time, all should be made aware of such.” – **Education and care owner or manager**

“Prior to approval perhaps persons wanting to open a centre could have their names made public too.” – **Anonymous survey respondent**

## Other comments

Some other comments were made surrounding the listing of approvals and revocations.

“Whilst I agree in principle I have some discomfort with naming and shaming services.” – **Kindergarten owner or manager**

“I agree, but I’m sure you’ll have problems with attempting to publicize why applicants’ approvals have been revoked” – **Member of the general public**

“The MoE should also list all areas where a service type is required.” – **Retired ECE kaiako**

"I do not understand why it is not all presented together (not the declined part). Also I feel it needs to be more robust than this- a map showing how many applications in etc,

preferred areas etc" – **Education and care owner or manager**

# Conclusion

Overall, there is strong support for each of the proposed priorities for the National and Regional Statements and new regulations for network management. The feedback from this consultation will inform the final policy advice which will be recommended to the Minister of Education.



We **shape** an **education** system that delivers  
**equitable** and **excellent outcomes**

He mea **tārai** e mātou te **mātauranga**  
kia **rangatira** ai, kia **mana taurite** ai ōna **huanga**