



## Education Report: Network management – advice on Government priorities for the National and Regional Statements

<b>To:</b>	Hon Chris Hipkins, Minister of Education		
<b>Cc:</b>	Hon Kelvin Davis, Minister for Māori-Crown Relations Associate Minister of Education (Māori Education)  Hon Aupito William Sio, Associate Minister of Education (Pacific peoples)		
<b>Date:</b>	31 March 2022 (updated)	<b>Priority:</b>	High
<b>Security Level:</b>	In Confidence	<b>METIS No:</b>	1282744
<b>Drafter:</b>	Kahu Rapira-Davies	<b>DDI:</b>	04 463 8105
<b>Key Contact:</b>	John Brooker	<b>DDI:</b>	9(2)(a) [REDACTED]
<b>Messaging seen by Communications team:</b>	No	<b>Round Robin:</b>	Yes

### Purpose of Report

This paper seeks your agreement to consult on proposed Government priorities for the National and Regional Statements that will set the Government's direction for new licensed early childhood services under the network management system. It also seeks your approval for the attached draft consultation document.

It also provides you with an update on the work to develop a data analysis network tool that will be used to support the development of the Statements and application assessments and provide the sector with data and information that they can use to inform their applications.

### Summary

- 1 To support a more active role in managing the network, Cabinet agreed to refine the network management function and to National and Regional Statements being introduced [SWC-21-MIN-0179 refers].
- 2 The National Statement will be a high-level direction-setting document that will set out the government's priorities for early learning delivery across New Zealand. The National Statement will be supported by Regional Statements that will translate these broad priority areas to regions based on each region's population profile and current supply of licensed early childhood services.

- 3 We have not yet talked to the sector directly about the development of the priorities. However, we are required to consult with the early learning sector and Māori before the priorities are finalised and expressed in the National and Regional Statements, which will be published in the New Zealand Gazette.
- 4 We developed our short list of priorities because they best achieved the following:
  - A. Giving effect to obligations under Te Tiriti o Waitangi
  - B. There being an identified national need for this service offering (for example, where a current area or community is underserved)
  - C. There being a clear priority from existing education strategies (for example, supporting the Action Plan for Pacific Education)
  - D. The priority can be defined and monitored.
- 5 We propose consulting on the following list of priorities.
  - i. Māori bilingual and immersion services (that are not excluded from the requirement to seek network management approval)
  - ii. Hapū/iwi-owned services
  - iii. Kaupapa Māori services
  - iv. Pacific bilingual and immersion services
  - v. Pacific language and/or cultural services
  - vi. Language immersion services (non-English/Māori/Pacific)
  - vii. Services that provide for children with a range of learning support needs
  - viii. Services that provide for migrant and former refugee communities and families
  - ix. Services planned to operate on a new school site
  - x. Organisations funded by Targeted Assistance for Participation (TAP).
- 6 To be successful, network management must manage growth in areas with sufficient supply. It must also do so without being so onerous as to discourage prospective providers from applying for network approval for underserved areas or communities. It must also be transparent on how decisions are made.
- 7 With this in mind, the Ministry is developing an analytical tool that will report data and information on supply, forecast growth, demand and need for licensed early childhood services to support the development of both the National and Regional Statements and sector decision making in the network management process.
- 8 Growing the supply of early childhood services provided in te reo Māori is a key priority for government and a responsibility under the Treaty of Waitangi. The priorities set out here, and the exclusion of kōhanga reo and other Māori immersion services from network management, is intended to enable change and growth in Māori immersion services, and reduce barriers to them opening and establishing in underserved communities.
- 9 The priorities are included in the draft consultation document attached as Appendix 1 alongside proposals for the new network management regulations that were approved in February 2022 [METIS 1281395 refers].
- 10 We are proposing to consult with the sector from 12 April to 31 May 2022 (seven weeks).

## Recommended Actions

---

We recommend that you:

- a **note** that the Ministry is required to undertake consultation with the sector and Māori on the priorities before they are finalised and the Ministry is developing a detailed engagement plan to do this.
- b **agree** to consult on all the following proposed priorities:
- i. Māori bilingual and immersion services (that are not excluded from the requirement to seek network management approval)
  - ii. Hapū/iwi-owned services
  - iii. Kaupapa Māori services
  - iv. Pacific bilingual and immersion services
  - v. Pacific language and/or cultural services
  - vi. Language immersion services (non-English/Māori/Pacific)
  - vii. Services that provide for children with a range of learning support needs
  - viii. Services that provide for migrant and former refugee communities and families
  - ix. Services planned to operate on a new school site
  - x. Organisations funded by Targeted Assistance for Participation (TAP)
- Agree / Disagree**
- c **agree** that the attached consultation document be released from 12 April 2022
- Agree / Disagree**
- d **agree** that the Ministry of Education release this education report once the Minister has considered the proposals with any information that may need to be withheld done so in accordance with the Official Information Act 1989.
- Release / Not release**



John Brooker  
**Group Manager**  
**Te Puna Kaupapahere**

31/03/2022



Hon Chris Hipkins  
**Minister of Education**

04/04/2022

## Background

---

- 1 The Early Learning Action Plan was released in 2019 and sets the high-level direction and vision for the early learning sector. Its overarching goals are to raise the quality of care and teaching across services, improve equity and to enable choice for families and whānau. The five objectives of the Early Learning Action Plan are:
  1. Children and whānau experience environments which promote their wellbeing and support identity, language, and culture
  2. All children are able to participate in early learning and have the support they need to learn and thrive
  3. Teaching staff and leaders are well-qualified, diverse, culturally competent and valued
  4. Children develop capabilities that are valued by their whānau and community and support them to be competent and confident learners
  5. Early learning services are part of a planned and coherent education ecosystem that is supported, accountable and sustainable
- 2 Introducing a managed network approach to ensure high-quality, diverse and sustainable early learning provision is one of the actions that the Government will progress to achieve objective 5.
- 3 The Education and Training Act 2020 introduced a new network management function for early childhood services. Under network management, potential providers of new early childhood services must first apply for network management approval to the Minister of Education before they can apply for a licence.
- 4 To support this new approach to network management, Cabinet has agreed that the Government will communicate its priorities to the sector through the introduction of National and Regional Statements, which will be published in the New Zealand Gazette [SWC-21-MIN-0179 refers].
- 5 The National Statement will set the Government's high-level direction and the Regional Statements will provide more detail on how the priorities translate at the regional level.
- 6 The Ministry is developing an analytical tool that will report data and information on supply, forecast growth, demand and need for licensed early childhood services. The Ministry is currently developing the datasets and business processes to do this.
- 7 The ability to issue National and Regional Statements is part of the Supplementary Order Paper (SOP) to the Education and Training Amendment Bill (No 2) being considered by the Education and Workforce Select Committee. The SOP, if enacted in its current form, would require the Minister of Education to consult with the licensed early childhood services sector and with Māori on any proposed Government priorities before a statement is issued. Note that in developing these priorities, we have not yet talked to the sector.

## Government priorities for new early childhood services seeking network management approval

---

- 8 The intent of setting out Government priorities is to indicate to the sector the particular types of service offerings that are a priority for the licensed early childhood network overall, and therefore the types of applications the Government will prioritise.
- 9 The priorities will need to strike a balance between providing a clear sense of the Government's preference for new providers, while ensuring that they do not create a barrier to new entrants where there are current gaps in the market and where we want new services to apply.
- 10 The outcome ultimately sought from network management is for tamariki in the identified priority areas to be enrolled in a high-quality early learning service and for their families and whānau to have choice. Therefore, the definitions at this stage indicate what kind of tamariki and whānau needs we expect to see supported. The applications from potential services will need to set out how they intend to do that.
- 11 We will continue to do further work, including with the sector, on how the priorities will be operationalised. We envisage that where a proposed service meets one or more of the Government priorities it will score higher than a competing application that does not meet as many or any priorities. However, meeting a national priority (or priorities) does not mean the service will automatically be approved for network management, as an application may meet other aspects of the National and Regional Statements (e.g., population growth) and the other requirements of network approval, such as the fit and proper assessment.
- 12 Successful applicants who are approved under a priority (or priorities) would see priority-related requirements expressed as a condition on the network management approval. The provider would be required to meet these requirements when it comes to licensing.
- 13 Services applying in areas of under-provision (or where there is likely to be under-provision due to population growth) may still be approved despite not meeting the priorities. As such, meeting one or more of the priorities will not be a requirement for a prospective service to gain network management approval.
- 14 In order to create a long list of potential priorities, we reviewed the following strategic plans and discussed with policy teams in the Ministry how the intent behind these plans could translate into network management priorities:
  - *Early Learning Action Plan*
  - *Ka Hikitia – Ka Hāpaitia*
  - *Tau Mai Te Reo*
  - *Action Plan for Pacific Education*
  - *National Education and Learning Priorities*
  - *Learning Support Action Plan*
  - *Child and Youth Wellbeing Strategy*

- 15 The following four criteria were developed to evaluate which priorities should be consulted on (see Table 1):
- A. The priority gives effect to obligations under Te Tiriti o Waitangi – the Government has a responsibility to do this directly under the Act as well as a part of its overall Crown responsibility.
  - B. There is an identified national need for this service offering – a priority should help stimulate supply of services where we already know there are gaps.
  - C. There is a clear priority from existing education strategies – network management should reinforce and give effect to existing education strategies.
  - D. The priority can be defined and monitored – a priority will only be useful if it can be easily defined and monitored. If the priority is too flexible or unclear it risks being misused or not achieving the intent.
- 16 We propose the following ten priorities for consultation:<sup>1</sup>
- i. Māori bilingual and immersion services (that are not excluded from the requirement to seek network management approval)
  - ii. Hapū/iwi-owned services
  - iii. Kaupapa Māori-led services
  - iv. Pacific bilingual and immersion services
  - v. Pacific language and/or cultural services
  - vi. Language immersion services (non-English/Māori/Pacific)
  - vii. Services well-equipped for learning support needs
  - viii. Services well-equipped for migrants and former refugees
  - ix. Services planning to operate on a new school site
  - x. Organisations funded by Targeted Assistance for Participation (TAP)<sup>2</sup>.
- 17 Priorities which were part of the long list but did not pass the analysis against the criteria (and therefore are not proposed to be taken to consultation) include:
- Services committed to staffing at high proportions of certificated teachers
  - Community-owned services
  - Services committed to operating at higher spatial requirements
  - Services committed to staffing at higher adult-to-child ratios
  - Services in areas of new development.

---

<sup>1</sup> Hapū/iwi-owned services, Kaupapa Māori services and Māori bilingual and immersion services are not mutually inclusive categories. Under the proposed exclusion, hapū/iwi-owned services, Kaupapa Māori services and Māori bilingual and immersion services would only need to apply for network management if they do not meet the exclusion criteria, which is currently being finalised.

<sup>2</sup> Targeted Assistance for Participation (TAP) provides funds for the buildings of early learning services in parts of the country where participation rates are low, in order to increase (or in some cases retain) children's attendance.

18 9(2)(f)(iv)

Bar Index	Relative Length (approx. % of longest bar)
1	100%
2	95%
3	5%
4	10%
5	5%
6	100%
7	100%
8	10%
9	100%
10	100%

19 9(2)(f)(iv)

20 Growing the supply of early childhood services provided in te reo Māori is a key priority for government and a responsibility under the Treaty of Waitangi. Priorities i-iii, coupled with excluding kōhanga reo and other Māori immersion services from the need to seek network management approval, are intended to enable change and growth, and reduce barriers for these services to establish and open in underserved communities.

## Our assessment of the priorities

21 Table 1 below provides a definition of each of the evaluated proposed priorities as well  
as an assessment of these priorities against the criteria. We are proposing to consult on  
all priorities that achieved an overall rating of 4 or above.

**Table 1: Outline of potential priorities and evaluation against the criteria**

Potential priority and proposed definition	Comments	Criteria				Overall Rating	Include
		A. Gives effect to Te Tiriti o Waitangi	B. Identified national need	C. Priority from existing strategies	D. Can be defined and monitored		
<b>Māori bilingual and immersion services that are not excluded from network management</b>  <i>Services where te reo Māori is used at least 51%<sup>3</sup> of the time as a medium of instruction.</i>	<ul style="list-style-type: none"> <li>The Government has specific obligations to protect and promote te reo Māori</li> <li>At the time of network management application, services will only be able to demonstrate a commitment to the workforce they wish to employ</li> <li>This priority would not be necessary for services that come within the proposed exclusion currently being finalised</li> </ul>	✓	✓ ✓	✓ ✓	✓ ✓	7	Yes
<b>Hapū/iwi-owned services</b>  <i>Services that are majority owned by hapū or iwi.</i>	<ul style="list-style-type: none"> <li>Protection of tino rangatiratanga</li> <li>Crown's obligation of positive assistance to iwi/hapū right of development</li> <li>Better supports Māori-Crown relations</li> <li>Forum to foster local tikanga and reo-a-iwi</li> </ul>	✓ ✓	✓ ✓	✓ ✓	✓	7	Yes
<b>Kaupapa Māori services</b>  <i>Services that have a distinct Māori identity and use Māori cultural practices and values that inform the service provision</i>	<ul style="list-style-type: none"> <li>Alignment with Ka Hikitia, the NELP, ELAP and Child and Youth Wellbeing strategy.</li> </ul>	✓	✓ ✓	✓ ✓	-	5	Yes

<sup>3</sup> Note that this is defined by the Ministry as meeting bilingual/immersion levels 1 and 2.



<p><b>Pacific bilingual and immersion services</b></p> <p><i>Services where a Pacific language is used <b>at least 51%<sup>4</sup> of the time</b> as a medium of instruction. This includes services using the languages of the Pacific realm, gagana Tokelau, vagahau Niue and te reo Māori Kūki 'Āirani, as a medium of instruction.</i></p> <p><i>Services may also provide Pacific cultural contexts for early learning.</i></p>	<ul style="list-style-type: none"> <li>Pacific learners currently (and increasingly) underserved</li> <li>Alignment with the Action Plan for Pacific Education, Pacific Languages Strategy and Child and Youth Wellbeing Strategy</li> <li>The Government has specific obligations to protect and promote the Pacific languages indigenous to the Realm of New Zealand</li> <li>At the time of network management application, services will only be able to demonstrate a commitment to the workforce they wish to employ</li> </ul>	-	✓ ✓	✓ ✓	✓ ✓	6	Yes
<p><b>Pacific language and/or cultural services</b></p> <p><i>Services that have distinct Pacific identities, cultural practices, languages and values that inform the service provision. This includes services using the languages of the Pacific realm: Tokelau, Niue and the Cook Islands.</i></p>	(As above)	-	✓ ✓	✓ ✓	✓	5	Yes
<p><b>Language immersion services (non-English/Māori/Pacific)</b></p> <p><i>Services where a language other than English, Māori or a Pacific language is used <b>at least 51%<sup>5</sup> of the time</b> as a medium of instruction.</i></p>	<ul style="list-style-type: none"> <li>Supports the increasing ethnic, cultural, linguistic and religious diversity of Aotearoa</li> <li>Alignment with the NELP, ELAP and Child and Youth Wellbeing Strategy</li> <li>At the time of network management application, services will only be able to demonstrate a commitment to the workforce they wish to employ.</li> </ul>	-	✓ ✓	✓ ✓	✓	5	Yes

<sup>4</sup> Note that this is defined by the Ministry as meeting bilingual/immersion levels 1 and 2.

<sup>5</sup> Note that this is defined by the Ministry as meeting bilingual/immersion levels 1 and 2.

<p><b>Services well-equipped for learning support needs</b></p> <p><i>A particular focus on providing services and support to children with a range of learning support needs.</i></p> <p><i>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.</i></p>	<ul style="list-style-type: none"> <li>• Providing for tamariki with learning support needs is a priority of many strategies within the Ministry of Education</li> <li>• Alignment with the Child and Youth Wellbeing Strategy.</li> <li>• Unlikely to be used by many services</li> </ul>	-	✓ ✓	✓ ✓	✓	5	Yes
<p><b>Services well-equipped for migrants and former refugees</b></p> <p><i>Services that are well-equipped for supporting children and communities with migrant and/or refugee backgrounds.</i></p> <p><i>We would expect applications from providers in regions where there are significant migrant and/or former refugee communities.</i></p> <p><i>We would expect to see services that intend to employ people:</i></p> <ul style="list-style-type: none"> <li>• from target ethnic, linguistic, or religious backgrounds</li> <li>• with relevant qualifications (e.g., ESOL/TESOL)</li> <li>• with lived experience as a migrant or former refugee</li> </ul>	<ul style="list-style-type: none"> <li>• Provision better tailored to the unique needs and aspirations of migrant and former refugee communities</li> <li>• Unlikely to be used by many services</li> </ul>	-	✓ ✓	✓ ✓	✓	5	Yes

<b>Services planned to operate on a new school site</b>  <i>Services that are planned to operate on a new school site.</i>	<ul style="list-style-type: none"> <li>• New school sites may have property provision for ECE. The early childhood service may not necessarily be established at the time of the school being established but will have been considered through the establishment process</li> <li>• Likely to be used where the Ministry has already assessed that an early childhood service may be required on a new school build within the network to meet demand due to population growth.</li> </ul>	-	✓ ✓	-	✓ ✓	4	Yes
<b>Organisations funded by Targeted Assistance for Participation (TAP)</b>  <i>Organisations that already have funding approved through Targeted Assistance for Participation (TAP).</i>	<ul style="list-style-type: none"> <li>• A transitional priority for services that are contracted to receive TAP funding.</li> </ul>	-	✓ ✓	-	✓ ✓	4	Yes
<b>Services committed to staffing at high proportions of certificated teachers</b>  <i>Services operating at 100% certificated teachers (ELAP).</i>	<ul style="list-style-type: none"> <li>• Aligns with consideration to require 80% of teaching staff to be licensed.</li> <li>• This priority would cover too many services and as such would not work as a priority. Currently, 96% of early childhood services operate at 80% of certificated teachers or above, including 26% at 100% certificated teachers.</li> <li>• We think the existing regulatory framework and funding model is a better way to address this.</li> </ul>	-	-	✓	✓ ✓	3	No

<b>Community-owned services</b>  <i>A service that is a community-based service is prohibited from making financial gains that are distributed to their members. It includes:</i> <ul style="list-style-type: none"> <li>• an incorporated society</li> <li>• a charitable, statutory, or community trust</li> <li>• a registered charity</li> <li>• owned by a community organisation (e.g., a city council, church, or university)</li> <li>• considered a Public Benefit Entity under XRB requirement</li> </ul>	<ul style="list-style-type: none"> <li>• Public consultation identified protection of community-owned services as a priority for a number of submitters.</li> <li>• Both community and private businesses add value to the sector but community-owned services might not necessarily be the best service to meet the needs of families in a particular area.</li> <li>• This priority would cover too many services and as such would not work as a priority. Currently, 49% of licensed services are community-based.</li> </ul>	-	-	✓	✓	2	No
<b>Services committed to operating at higher spatial requirements</b>  <i>Services proposed to be established to operate with an indoor and outdoor space 50% higher than the regulated minimum.</i>	<ul style="list-style-type: none"> <li>• Can be easily defined and monitored, but fails to meet other criteria such as giving effect to Te Tiriti or fulfilling an identified national need</li> </ul>	-	-	✓	✓ ✓	3	No
<b>Services committed to staffing at higher adult-to-child ratios</b>  <i>Services proposed to be established to operate with a ratio 50% higher than the regulated minimum.</i>	<ul style="list-style-type: none"> <li>• Can be easily defined and monitored, but fails to meet other criteria such as giving effect to Te Tiriti or fulfilling an identified national need</li> </ul>	-	-	-	✓ ✓	2	No
<b>Services in areas of new development</b>  <i>Services proposed to be established in new subdivisions, development areas in response to forecast and planned population growth.</i>	<ul style="list-style-type: none"> <li>• Including this as a priority is unnecessary, as the information and data analysis will identify where there are areas of growing demand. This will be considered for all applications.</li> </ul>	-	✓	-	✓ ✓	3	No

## **Supporting Māori and Te Tiriti o Waitangi**

- 22 Te Tiriti o Waitangi's guarantee of tino rangatiratanga affords Māori through hapū and iwi the right to exercise their authority and agency in education. The Crown is obliged to actively protect tino rangatiratanga and support hapū and iwi to participate in and make decisions about the education of Māori learners.
- 23 Where hapū/iwi have a development interest, the principle for the right of development extends to the Crown an obligation of positive assistance.
- 24 Prioritising hapū/iwi-owned services may also support better Māori-Crown relationships if Māori are able to exercise rangatiratanga over establishment.
- 25 Hapū/iwi-owned services, kaupapa Māori services and bilingual and immersion services also provide a platform where Māori can foster local tikanga and reo-ā-iwi.

## **Supporting Pacific communities**

- 26 Pacific learners are currently (and increasingly) underserved, with provision for children in Pacific centres falling despite a growing Pacific population and an increase in the overall number of early learning centres and child places.
- 27 Prioritising Pacific bilingual and immersion services aligns with the Action Plan for Pacific Education's action to develop a policy on Pacific bilingual and immersion education - development of this policy is underway.
- 28 Cook Islands Māori, vagahau Niue and gagana Tokelau are Pacific languages indigenous to the Realm of New Zealand and as such the government has specific obligations to protect and promote these languages.

## **Supporting language immersion (for non-English/Māori/Pacific languages)**

- 29 The increasing ethnic diversity of Aotearoa's population may come with aspirations for more early learning services in languages spoken by family members or in the community (e.g., Mandarin, Hindi etc.).
- 30 There would be alignment with the NELP, ELAP and Child and Youth Wellbeing Strategy in reducing barriers to education for all learners and ensuring children are connected to their culture, language, beliefs, and identity.

## **Supporting learning support needs**

- 31 Ensuring Aotearoa's education system provides for all tamariki with learning support needs is a priority of many strategies within the Ministry of Education, as well as having a general alignment with the Child and Youth Wellbeing Strategy.

## **Supporting migrants and former refugees**

- 32 Migrant and former refugee communities bring with them needs and aspirations that may be better catered for by early learning services that are designed to cater for their needs.
- 33 In areas with high concentrations of migrants and former refugees, there is value in prioritising prospective services for network management approval that can demonstrate an ability to provide for those learners and their whānau.

## Why we have ruled out some potential priorities

- 34 Some of the potential priorities did not sufficiently meet the broader Government objectives and may be hard to commit to, or do not offer anything specific for target populations.
- 35 Some priorities (listed in paragraph 15) can be easily defined and monitored, but do not sufficiently give effect to Te Tiriti o Waitangi, respond to an identified national need and/or align with the Government's existing strategies. These priorities have therefore not been put forward as recommended priorities for network management approval.

## Data and evidence on supply, forecast growth, demand and need

---

- 36 To support network management, the Ministry is currently developing its reporting, forecasting and modelling on the early learning sector. This information will be used to prepare the National and Regional Statements, provide a base level of data to the sector and will also be used to help assess Network Management applications.
- 37 This forecasting and modelling work will analyse multiple sources of information such as (but not restricted to):
- Administrative data, including mapping the current provision of existing early learning services in an area, and population projections from Statistics New Zealand
  - Longer term insights from Government policies, particularly housing policies and identifying housing developments and infrastructure planning
  - Transport links and connections that will show where children are travelling to and from, and relationships to future transport developments
  - Local insights from Ministry regional staff and engagements with the sector on their plans and engagements with communities on their needs.
- 38 The data and information from these sources will be a key input to the National and Regional Statements and will identify areas across the early learning network that are currently underserved and where there is sufficiency of supply. Through making this information publicly available it will help smaller and community-based providers have access to information that larger providers can often source or prepare themselves.
- 39 This work will also be used by the Ministry to assess applications for network management approval through establishing the validity of offerings made in applications for example through having up to date supply information and the insights on communities' needs.
- 40 The Ministry is in the early stages of developing and utilising existing and available IT systems, tools and technology to map out and plan for early childhood network data collection, planning and management. Alongside developing the data and information we are also developing the business processes, logic, planning, resourcing and staffing that are required to support the early learning sector and assess applications.

## Next steps for consultation

---

- 41 The draft consultation document attached as Appendix 1 also contains proposals for the new network management regulations that were approved in February 2022 [METIS 1281395 refers].

- 42 We are proposing to consult with the sector from 12 April to 31 May 2022 (seven- week period).
- 43 Once the Government priorities are finalised, they will be published in the National and Regional Statements in conjunction with the data and information work programme described above.

Appendix 1: Draft consultation document on the priorities for National and Regional Statements, and the policy for new regulations

---