Briefing Note: Advice for the meeting with four ECE peak bodies

To: Hon Chris Hipkins, Minister of Education

Date: 26 August 2019

Priority: Medium

Security Level: In Confidence

METIS No: 1203466

DDI: s 9(2)(a)

Drafter: Jacqueline Pilton

Key Contact: Damian Edwards

Messaging seen by Communications team: No

Round Robin: No

Purpose of Report

This briefing note provides you with background information for your meeting on Wednesday, 28 August with the ECE representatives from Te Rito Maioha, Early Childhood Council, New Zealand Kindergartens and Montessori Aotearoa New Zealand (ECE peak bodies). The meeting will discuss the priorities and proposed solutions raised in the letter (Annex 1).

Proactive release

Agree that this Briefing will be proactively released.

Agree / Disagree

Damian Edwards
Associate Deputy Secretary
Education System Policy

Hon Chris Hipkins
Minister of Education

26/8/19

29/8/19
Background

1. Te Rito Maioha, Early Childhood Council, New Zealand Kindergartens and Montessori Aotearoa New Zealand (ECE peak bodies) have requested a meeting to discuss their unified approach on the issues impacting the early learning sector in New Zealand.

2. The ECE peak bodies consider the recent cost adjustments to be small investments for ECE. They want to ensure that ECE is a priority for Budget 2020. They suggest investment in the following priorities, as identified in submissions to the draft Early Learning Strategic Plan:

   a. ECE teacher pay parity and equity
   b. ECE teacher shortage and current attrition rates
   c. Commit to regulating for 80% qualified teachers within this term of government
   d. Incentivise 100% qualified teachers now by reinstating funding to meet the costs of services operating with 100% qualified teachers in 2019
   e. Teacher to child ratios (which will be achieved once the teacher workforce issues are addressed)
   f. All teacher-led, centre-based services be required by regulation to employ 100% qualified teachers by 2023
   g. Access to ongoing Professional Learning and Development.

3. They propose two initiatives that would support the early learning sector:

   • A funding framework that provides services a minimum baseline of funding which includes:
     a. operational funding
     b. funding that directly flows to wages and salaries to ensure pay parity for teaching staff with criteria either via:
        i. an attestation process
        ii. central hub distribution
        iii. the current Kindergarten Teachers Collective Agreement
        iv. other
     c. additional strands of funding for ECE services to apply for with specific criteria to meet via government's Wellbeing outcomes
     d. Professional Learning and Development to support quality, similar to the compulsory sector model.

   • A network review of current ECE services to allow for targeted support which includes (this does not have to be a lengthy or time-consuming process):
     a. a review of current services per geographical location
     b. a review of the current 0-5 population per geographical location
     c. a projection of the 0-5 population per geographical location
     d. a review of existing centres feeding into schools
     e. those geographical locations with no provision currently
     f. a forecast of need based on current demand and future projections to address and manage supply and demand for early childhood education.
Comment on areas identified by the peak bodies

4. This section highlights how the priorities identified by the peak bodies relate to current policy initiatives and the draft Early Learning Strategic Plan.

5. **ECE teacher pay parity and equity:**
   - Goal 3.1 of the draft Early Learning Strategic Plan includes a recommendation to improve the consistency and levels of teacher salaries and conditions across the early learning sector.
   - The Government is committed to supporting quality teaching and ensuring that teachers, at all levels of the education system, are supported and respected.
   - Education and care services must attest to paying all qualified teachers specified minimum salary rates in order for services to receive higher funding rates. Employers may choose to pay teachers more than the minimum rates specified.

6. **ECE teacher shortage and current attrition rates**
   - Goal 3.4 of the draft Early Learning Strategic Plan recommends the development of a workforce supply strategy that aligns with the wider education workforce strategy. This would include the expansion of current scholarship programmes that provide fees and allowances for ECE students in undergraduate and graduate ITE programmes and attracts Māori and Pacific students.
   - Budget 2019 allocated $25 million over the next four years for tertiary providers involved in Initial teacher education (ITE) including ECE teacher education.
   - In May 2019, ECE teachers were also added to the long-term skills shortage list, enabling overseas ECE teachers to gain work visas more easily.
   - Government has also continued to support ECE teacher supply with scholarships. The total scholarships awarded increased from 50 scholarships in 2018 to 82 in 2019. These include a mix of scholarships (ECE undergraduate and graduate, Māori and Pacific language scholarships, Māori and Pacific high achievers).

7. **Priorities relating to proportion of qualified teachers**
   - The peak bodies recommend investment in the following:
     - Incentivise 100% qualified teachers now by reinstating funding to meet the costs of services operating with 100% qualified teachers in 2019
     - Commit to regulating for 80% qualified teachers within this term of government
     - All teacher-led, centre-based services be required by regulation to employ 100% qualified by 2023.
   - Goal 1.3 of the draft Early Learning Strategic Plan recommends increasing the percentage of required staff who are qualified in teacher-led, centre-based services from 50% to 80% by 2022 before moving to 100%. Before regulating for 100% qualified teachers, this change would be incentivised through funding.
   - You have signalled a commitment to reinstate funding for 100% qualified teachers in this term of government. The reinstatement of the 100% qualified teacher funding band is likely to increase demand for qualified teachers.
   - The timeframe for regulating a minimum of 80% qualified is subject to the policy work on Goal 1.3 of the draft Early Learning Strategic Plan. The Ministry suggests we need better information on teacher supply to understand the effects on services of regulating this minimum.
8. **Teacher to child ratios (which will be achieved once the teacher workforce issues are addressed)**

- The draft Early Learning Strategic Plan recommends that adult:child ratios be reduced from 1:5 down to 1:4 for under 2s and from 1:10 down to 1:5 for children aged 2. This is a costly change and will need to be considered against other Budget priorities.

9. **Access to ongoing Professional Learning and Development**

- Goal 3.3 of the draft Early Learning Strategic Plan recommends the improvement of professional learning and development (PLD). This would include the development of a sustained and planned approach to PLD with the involvement of both national and local provision. The Ministry would provide PLD for teachers, kaiako, educators and leaders through quality PLD providers.

**Funding framework proposed by the peak bodies**

10. The funding framework put forward by the peak bodies is similar to the funding framework for schooling, where there is an operations grant with an embedded base grant, and separate funding for teacher salaries.

11. The current ECE funding framework is a bulk fund based on children’s participation. It is capped at six hours per day and 30 hours per week. The current funding system has the following benefits:

- services are incentivised to improve children’s participation
- the basis for funding is efficient and minimises deadweight cost for government
- services have flexibility on how they spend their funding.

12. However, the current system does not allow line of sight in terms of how funding is used. The relationship between government funding and cost of provision is also unclear.

13. The funding framework proposed by the peak bodies would likely result in government subsidising ECE participation to a greater extent than it currently does. The cost of ECE is currently shared between government and parents. The proposed framework appears to suggest a model where government is covering most or all of the cost of ECE. A minimum baseline may also result in providing funding to services where no children are attending.

**Network review proposed by the peak bodies**

14. The review proposed by the peak bodies involves looking at the number of services by area, future and projected population, educational pathways of children into schools and forecast of demand for child places. It is unclear about the scope and meaning of targeted support.

s 9(2)(f)(iv)