Briefing Note: Briefing on agenda items for June ECAC

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<th>To:</th>
<th>Hon Minister Hipkins, Minister of Education</th>
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<tr>
<td>Date:</td>
<td>31 May 2019</td>
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<tr>
<td>Security Level:</td>
<td>In Confidence</td>
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<tr>
<td>Drafter:</td>
<td>Amy Hunter</td>
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<tr>
<td>Key Contact:</td>
<td>Keith Newton</td>
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<td>Messaging seen by Communications team:</td>
<td>No</td>
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Purpose of Report

The purpose of this paper is to provide you with a briefing on agenda items ahead of your meeting with ECAC members on Wednesday, 5 June 2019.

Agree that this Briefing will be proactively released.

Katrina Casey  
Deputy Secretary  
Sector Enablement and Support  
31/05/2019

Hon Chris Hipkins  
Minister of Education  
8/6/19
Background

1. The purpose of ECAC is to foster a relationship between Government and the early learning sector to achieve common goals. The committee is made up of representatives from the early learning sector organisations.

2. You have asked to be briefed on the following items ahead of your meeting with ECAC members:
   a. changes to the ECAC membership
   b. the Budget 2019 overview agenda PowerPoint slides
   c. an update on the 10 Year Early Learning Strategic Plan (including key feedback from the consultation)
   d. any issues likely to be raised by ECAC members on strategic work programmes.

3. The agenda for this meeting is attached as Annex One.

Recent changes to ECAC membership

4. Karen Affleck has been the ECAC representative for the Federation of Rudolf Steiner Waldorf Schools in New Zealand (the Federation) since June 2016. Juvena Jalal attended on Karen’s behalf from June 2018 – March 2019. Karen will be resuming her role as the ECAC representative for the Federation from the June 2019 ECAC meeting onwards.

5. Keith Newton has left his role as the General Manager of Barnardos New Zealand (Barnardos) and as the ECAC representative for Barnardos. Keith commenced his new role as the Group Manager of Early Childhood Resourcing and Operations in the Ministry of Education effective 1 May 2019.

6. Heather Taylor is the Acting General Manager for Barnardos. Heather will be the new Barnardos representative on ECAC until further notice. Heather will be attending ECAC for the first time at June ECAC.

7. Jenny Hayes has been the ECAC representative for Te Aho o Te Kura Pounamu (Te Kura) since August 2017. Jenny is leaving her role at Te Kura on the 22 July 2019. Virginia Simmonds has attended ECAC on behalf of Jenny before, Virginia is the new Te Kura representative on ECAC from until further notice.

Budget 2019 overview

8. The Budget 2019 overview agenda slides are provided in Annex Two.

Issues likely to be raised by ECAC members

9. **ECE cost adjustment**

   The initiative will increase universal (ECE Subsidy and 20 Hours ECE) and targeted (Equity Funding and Targeted Funding for Disadvantage) ECE subsidies by 1.8% from 1 January 2020. This amounts to an extra $131.036 million in funding over four years.

   You may be asked when ECE services will receive the new funding rates.

   The funding rates will be adjusted from 1 January 2020. ECE services will receive the adjustment to their funding rates in the March 2020 operational payment. The increased funding rates will apply to hours claimed from 1 January 2020 onwards.
10. **100% funding**

You may be asked why the Government is not reinstating the 100% funding band in Budget 2019.

The government needs to balance a range of competing priorities when allocating increases to funding rates. This year, funding has been prioritised for mental health initiatives and reducing family and sexual violence. We have also reinstated universal cost adjustments for early learning services to help maintain the quality of early learning services for children.

11. **Minimum wage adjustment**

The initiative provides $3.058 million in top up funding for Equity A services over four years.

a. You may be asked why only services in low socio-economic areas are eligible for this funding.

This funding is designed to help the sustainability of early learning services operating in lower socio-economic communities. The initiative helps these services to meet their legal obligation to pay the higher minimum wage without compromising the quality of education offered or increasing fees for those least able to afford them. This should help maintain participation in low socio-economic communities, which is important because research shows that children from these backgrounds benefit the most from quality early-learning environments.

b. ECAC members may also ask what is the increase to the Equity A funding rates.

The funding rate increases have been calculated so that Equity Index (EQI) 1 services (those with the lowest socio-economic rating) receives a higher funding increase than EQI 2, 3 and 4 services:

- EQI 1 services will receive a $0.04 funding rate increase
- EQI 2 services will receive a $0.02 funding rate increase
- EQI 3 services will receive a $0.02 funding rate increase
- EQI 4 services will receive a $0.01 funding rate increase

The funding increase is effective from 1 July 2019, and will be paid out from 1 November 2019.

12. **Early intervention services cost pressures**

Additional funding of $24.768 million over four years will be used to help address ongoing, growing demand for early intervention support. An additional 4,600 young children will benefit from this support.

Support that can be provided to children from Ministry Education Support Workers will be extended from 40 to 50 weeks. This recognises that early learning services operate across the year and children are participating for longer periods. Extended support will help children with learning needs attend and participate more fully than otherwise possible.

35 additional Early Intervention Study Awards and 28 Speech Language Therapist scholarships will be made available over four years to build the workforce for early intervention services.

13. **Home-based ECE Review**

In February, as a result of the Home-based early childhood education (ECE) review, Cabinet agreed to move towards a mandatory Level 4 ECE qualified educator workforce. $5.874 million covers the cost to Government for supporting an additional 1,700 educators.

a. Does this initiative cover the cost of course fees for educators?
No. This initiative covers the cost to government of putting educators through study, including the tuition subsidy and student loan administration costs. However, Government has created a Home-based Sector Reform Implementation Group to work with the home-based ECE sector on transitioning arrangements. This will enable the sector and government to work together to determine how educators can best be supported to complete the qualification.

b. You may be asked how this initiative reflects the outcomes of the Review of Home-based ECE.

The initiative aims to achieve better outcomes for children by improving the quality of educator-child interactions in home-based early childhood education. This will be done by providing funding to tertiary providers to enable the existing educator workforce to upskill to a Level 4 ECE qualification.

c. How will educators not proficient in English be supported to transition to a Level 4 ECE qualification?

The initiative provides $1 million in additional funding to translate the qualification into other languages widely used in Home-based ECE, such as Tongan and Samoan, so that educators who are not proficient in English will also be able to upskill. Currently, 77 services provide bilingual or immersion instruction in languages other than English or Māori.

14. **Meeting increased demand in ECE**

You may be asked why is there a $39.624 million reduction in cost over four years in ECE.

The majority of ECE expenditure is demand-driven. Growth in the forecast period is anticipated to be lower than what was projected in Budget 2018. The major factor driving forecast changes in ECE was the latest expenditure is slightly lower than our previous forecast. Hence the population growth and participation assumption was revised down accordingly.

**10 Year Early Learning Strategic Plan**

15. Many ECAC members are on the Early Learning Strategic Plan (ELSP) Reference Group and have listened to your address at the session on 11 April 2019. At that session you explained how the ELSP fits into the broader Education Work Programme.

16. **He taonga te tamaiti | Every child a taonga**, the draft strategic plan for early learning, was open for consultation from 19 November 2018 – 15 March 2019. The Ministry received 2,264 online survey responses, 219 written submissions during the consultation period and significant feedback from the three commissioned parent focus groups in Auckland, Christchurch and Whangarei.

17. Data from the survey, submissions and hui are summarised in a report from Martin, Jenkins & Associates Limited.

**Key feedback from consultation**

18. Overall there was a high level of agreement with most of the Plan’s recommendations.

19. The most highly ranked recommendation is to improve adult:child ratios, followed by proposals to move towards 100% qualified teachers in teacher-led services.

20.
Early learning strategic plan process update

24. The report-back of the Taskforce on the Tomorrow’s Schools Review is 30 June 2019. The Ministry will consider if any changes are required to the draft ELSP as part of the process of finalising the Plan.

25. The report-back to Cabinet on the ELSP has been extended and additional time is therefore available for the work to be completed to ensure the coherence of the whole Education Work Programme is maintained.

26. The Ministry will consult the ELSP Ministerial Advisory Group as part of the process of finalising the Plan. Following the report-back to Cabinet, the ELSP would be released publicly together with any announcements. The Government’s decisions on the recent review of Home-based Early Childhood Education will be included as part of the release.

Education Workforce Programme

27. You asked for issues related to the Education Workforce Strategy likely to be raised by ECAC members during your visit.

Teacher supply

28. You may be asked if the Government agrees that there is a shortage of teachers in ECE.

29. The Government historically has not had the same role in the early childhood sector, which is made up of community and private providers that operate independently. Because of this, providers are expected to undertake workforce planning and development in their own settings.

30. While information from the sector indicates that there is a tightening of supply in the ECE sector, currently the Ministry does not hold the data on ECE workforce to evidence this as there is no centralised payroll system for ECE.

31. We are piloting an approach that makes use of the Statistics New Zealand Integrated Data Infrastructure to determine ECE workforce characteristics similar to the information available for primary/secondary teachers. We expect to have this report shortly and will discuss it with the ECAC sub group on workforce data when it is available.

Initial Teacher Education (ITE)

32. There has been a Student Achievement Contribution funding increase for ITE.
   a. Why is this extra $24.5 million being invested?

   The Government is keen to ensure that New Zealand is producing high quality locally trained teachers. This additional funding will support providers of initial teacher education (ITE) to meet new standards, issued by the Teaching Council of Aotearoa New Zealand, which include strengthened requirements for professional
experience placements for trainee teachers, including those training to work in the ECE sector.

b. How much additional funding is being provided?

The increase will take place in two steps: Degree level ITE courses will receive an additional $602 per student, from 1 January 2020, reflecting the need for additional funding to help providers gear up to meet the Teaching Council’s new requirements. These requirements will be mandatory from January 2022. Providers will receive a further increase of $461 per degree level student, on 1 January 2022.

c. Who will manage the additional funding?

The Tertiary Education Commission (TEC) will manage the funding – which will be paid to providers based on their ITE enrolments, through the existing funding system and under providers’ agreed investment plans.

d. How many additional teachers will be in classrooms as a result of this investment?

This investment is primarily about improving the quality of new, locally trained teachers. We expect to see an increase in the numbers of local ITE graduates gaining work as teachers, and as school principals gain confidence that newly qualified teachers are well prepared for the classroom.

e. What does the additional $602 per student for ITE providers actually buy? Why pour money into this instead of additional teachers?

The funding will help providers meet the Teaching Council’s new requirements for ITE programmes:

- The longer practical experience placements will mean ITE providers incur increased costs;
- The stronger expectations around partnership with services, schools, and kura as well as iwi and hapu will create increased costs for ITE providers.

This funding is an investment in ITE graduates being better prepared for their careers as teachers. This will mean principals and service managers can be more confident that beginning teachers are classroom ready.

**Education Workforce Strategy vision**

33. The vision sets out the desired future state of our future education workforce. It is the foundation of the Education Workforce Strategy that is being developed by the sector through a cross-sector Governance Group. The overarching strategy is complemented by a parallel workforce strategy for Māori medium — covering Māori immersion level one to five, where more than 81% of learning is provided in Māori language immersion.

34. The Education Workforce Strategy will seek to address themes that are important to the whole education workforce, including the early learning sector. The themes include: equity and inclusiveness, wellbeing and relationships, workforce capabilities, and improved workforce systems.

35. To ensure alignment with the draft Early Learning Strategic Plan and the Education Workforce Strategy to 2032 the Ministry is working closely with the Early Learning teams.
Other issues for your information

36. **Education Report: Changing Early Childhood Education Licensing and Certification Criteria** (METIS refers 1191612). You approved the letter to ECAC members on 29 May 2019. This letter informs ECAC of consultation into changes to the licensing and certification criteria. This letter is provided in Annex Three.

Proactive Release

37. It is intended that this Briefing is proactively released as per your expectation that information be released as soon as possible. Any information which may need to be withheld will be done so in line with the provisions of the Official Information Act 1982.

Agree / Disagree

Annexes

- Annex One: 5 June 2019 ECAC agenda
- Annex Two: Budget 2019 overview agenda slides
- Annex Three: Letter to ECAC members on consultation
# Early Childhood Advisory Committee (ECAC) Agenda

## Location
Room 2.01, Mātauranga House

## Chair
Katrina Casey

## Secretariat
Amy Hunter

## Ministry attendees
Katrina Casey, Suzie Strenger, Nancy Bell, Damian Edwards, Keith Newton, Siebhan Murray

## Circulated before meeting
Apologies, minutes, actions, written advisory group reports

## Guests
Hon Chris Hipkins; Minister of Education, Iona Holsted, Secretary for Education.

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<tr>
<th>#</th>
<th>Topic</th>
<th>Sponsor</th>
<th>Oral/Paper/Slides</th>
<th>Start time</th>
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<tbody>
<tr>
<td>1</td>
<td>Welcome, karakia and introductions</td>
<td>Katrina Casey</td>
<td>Oral</td>
<td>9:00</td>
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<tr>
<td>(a)</td>
<td>General welcome to all</td>
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<tr>
<td>(b)</td>
<td>Karakia</td>
<td>Nicola Woollaston</td>
<td>Oral</td>
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| (c) | Welcome to new members:  
- Heather Taylor, Acting GMI Barnardos NZ  
- Karen Affeldt, Federation of Rudolf Steiner Waldorf Schools in NZ | Katrina Casey | Oral | |
| (d) | Farewell and acknowledgment to:  
- Juvena Jalal, Federation of Rudolf Steiner Waldorf Schools in NZ  
- Jenny Hayes, Te Aho o Te Kura Pouamau | Katrina Casey | Oral | |
| (e) | Introductions | All | Oral | |
| 2 | Budget 2019 overview | Damian Edwards | Slides | 9:15 |
| 3 | Break | | | 10:00 |
| 4 | - Complaints and Incidents Report  
- ECE Funding Handbook refresh | Keith Newton | Oral | 10:15 |
<p>| 5 | ERO Methodology and Assurance reviews | Sandra Collins | Paper | 10:30 |
| 6 | Minister Hipkins | Iona Holsted | Oral | 11:00 |
| 7 | Karakia and lunch | | | 12:00 |</p>
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<th>Time</th>
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<tr>
<td>6</td>
<td>Early Learning Strategic Plan update</td>
<td>Nancy Bell</td>
<td>Oral</td>
<td>1:00</td>
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<td>7</td>
<td>Wider work programme</td>
<td>Ross Clapcott</td>
<td>Oral</td>
<td>1:10</td>
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<td>8</td>
<td>Sector consultation – licensing criteria relating to the serving and preparation of food in ECE services</td>
<td>Katrina Casey</td>
<td>Oral</td>
<td>1:40</td>
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<td>9</td>
<td>Wrap up and planning for next meeting (4 September 2019)</td>
<td>Katrina Casey</td>
<td>Oral</td>
<td>1:55</td>
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<td></td>
<td>Meeting closure</td>
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Budget 2019 and early learning

Damian Edwards
Associate Deputy Secretary

Wednesday, 5 June

The Wellbeing Budget

“It is a new approach to the development of a budget, which is about creating a New Zealand current and future generations can be proud of”
– Rt Hon Jacinda Ardern

“A wellbeing approach is about ensuring the broad range of factors that matter to New Zealanders are central to the Government’s definition of success and drives our decision making”
– Hon Grant Robertson
Budget Priorities

- Building a Productive Nation
- Improving Child Wellbeing
- Investing in New Zealand
- Supporting Māori and Pasifika Aspirations
- Transforming the Economy
- Taking Mental Health Seriously

Education overview

- Substantial new funding allocated to meet price and demand pressures
  - An extra $1.2 billion in capital funding over ten years
  - An extra $877 million in operational funding over four years
  - Delivering the Government’s commitments
  - $266 million of extra funding for schools to replace parental donations
  - $217 million (plus $95 million of capital) for learning support coordinators
  - $95 million to continue increasing teacher supply
ECE cost adjustment

- $131.036 million extra funding over 2019/20 to 2022/23
- 1.8% increase for all ECE subsidies, but does not include home-based services on the standard funding rate
- Helps services maintain volume and quality of provision
- Benefits approximately 4,200 services and 190,000 children
Early Intervention Services

• An extra $24.768 million over four years to address ongoing, growing demand for early intervention support
  
  • More early intervention specialists and Education Support Workers, 35 more awards and 28 scholarships to build the specialist workforce
  
  • Support provided by Education Support Workers will be extended from 40 weeks to 50 weeks
  
  • An additional 4,600 children will benefit from the initiative

Home-based ECE

• In the future, the Government is moving towards all educators holding at least a Level 4 ECE qualification
  
  • $5.874 million covers the cost to Government for supporting an additional 1,700 educators
  
  • $1 million of additional funding for tertiary providers to translate programmes into languages widely used in home-based services
Minimum wage adjustment

- $3.058 million top up funding for Equity A services over four years from 1 November 2019 (back dated to 1 July 2019)
- On average, approximately 1,690 services will receive an extra $420 in 2019/20
  - EQI 1 services receive a $0.04 funding rate increase
  - EQI 2 and 3 services receive a $0.02 funding rate increase
  - EQI 4 services receive a $0.01 funding rate increase

Demand growth

- Every year the Budget includes funding to cover projected demand for children in ECE
- Forecast changes in Vote Education address changes in anticipated demand and funds core educational services
- Lower growth in the forecast period than what was projected in Budget 2018 – reduces expenditure by $39.624 million over 2019/20 to 2022/23 period
Te Kōhanga Reo

- As a result of discussions on the Wai 2336 claim and subsequent Tribunal report, the Crown is providing funding to address immediate cost pressures faced by nga kōhanga reo.
- This will comprise approximately:
  - $21.5 million for staffing costs
  - $2.5 million for ICT needs
  - $9.5 million for property-related costs subject to an independent condition assessment
Annex Three: Letter to ECAC members on consultation

29 May 2019

ECAC members

Tēnā koutou katoa

Consultation on amendments to the criteria for early learning services

Nothing is more important than the safety and well-being of our children, and that parents and caregivers can have confidence that their children are learning in a safe, well-run, early learning service.

The Ministry of Education and the Ministry of Health are writing to all early childhood education services providing a reminder of the Ministry of Health guidance on food related choking in young children. This guidance outlines the risk of certain foods and the way these foods should be prepared and consumed by infants and toddlers. The letter will advise that the Ministry of Education is considering how its licensing criteria for early learning services and certification criteria for playgroups can better help early learning services to minimise or eliminate the risk of children choking on food.

The Early Childhood Advisory Committee (ECAC) is an important part of the Ministry’s relationship with the sector, whose views will help shape and inform any recommendations.

In June 2019, the Ministry of Education will begin consultation with you and the wider sector about proposed amendments to each of the licensing and certification criteria documents. Proposed amendments will focus on the health and safety criteria, with the intention of introducing clear criteria so that the risk of children choking on food while at early learning services is minimised or eliminated.

The Ministry of Education looks forward to your engagement on this important work and will provide more information to you at the ECAC meeting on 5 June 2019. I look forward to hearing your views on the proposed amendments.

As a regulatory agency, the Ministry of Education has a duty under the State Services Act 1988 to exercise stewardship over regulatory systems. As part of this, the Ministry has started identifying aspects of the ECE regulatory system that have known implementation problems, such as inconsistencies between the regulations and Funding Handbook. The draft Early Learning Strategic Plan signals regulatory change in a broad range of areas. Once the Plan is finalised, the Ministry will formally begin a review of the ECE regulatory system that incorporates both the areas identified through our stewardship role and the first tranche of changes from the Strategic Plan.

education.govt.nz
This review of aspects of the regulatory system will involve consultation with ECAC and the wider sector. We look forward to working with you on this and will provide you with further details after the Strategic Plan has been finalised.

Nāku noa, nā

Iona Holsted
Secretary for Education