**Education Report:** Transitioning to a qualified home-based workforce - Proposed sector engagement

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<th>To:</th>
<th>Hon Chris Hipkins, Minister of Education</th>
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**Purpose of report**

The purpose of this paper is for you to:

- agree to establish a Home-based Sector Advisory Group to work with the Ministry on transitioning to a Level 4 ECE qualified workforce, to inform the February 2020 Cabinet report back.

**Recommended Actions**

The Ministry of Education recommends you:

a. **direct** the Ministry to establish a Home-based Sector Advisory Group to work with the Ministry on transitioning to a Level 4 ECE qualified workforce, with responsibilities outlined in the attached terms of reference

   Agree / Disagree

b. agree to the Ministry emailing the Early Childhood Advisory Committee in April, announcing the establishment of the Home-based Sector Advisory Group, followed by seeking nominations from the home-based ECE sector

   Agree / Disagree
Proactive Release Recommendation

c. agree that this Education Report is proactively released after the establishment of the Home-based Sector Advisory Group is announced to the sector.

Agree / Disagree

Damian Edwards
Associate Deputy Secretary
Education System Policy
Ministry of Education

3/4/19

Hon Chris Hipkins
Minister of Education

7/4/19
Background

1. On 29 January, Cabinet agreed to a suite of changes to home-based early childhood education (ECE) arising out of the Review of Home-based ECE, including a shift towards a qualified workforce [CBC-19-MIN-0002 refers]. To incentivise the shift, Cabinet agreed to lift funding criteria for both the quality and standard rates. It was agreed that changes to the quality rate would be sequenced first, followed by changes to the standard rate.

2. You agreed to report back to Cabinet in February 2020 with further information on the financial and forecasting implications of changing the quality rate criteria.

3. Cabinet also agreed to further work on the funding and licensing system for home-based ECE.

4. At the Early Childhood Advisory Committee (ECAC) meeting in March, sector representatives asked for more certainty about the process and timing of the shift to a qualified workforce. You and the Ministry have also received a number of letters from those in the sector with similar queries.

Establishing a Home-based Sector Advisory Group

5. The Cabinet paper committed to working with the sector to determine an appropriate time to regulate the mandatory qualification requirement. Ahead of the February 2020 report back, we recommend that a Home-based Sector Advisory Group (HSAG) is formed, to work with the Ministry.

6. The Ministry considers an in-person approach with a small group of sector representatives would be more effective and efficient due to the technical detail associated with the work. It would also allow for increased transparency, as a range of perspectives can be surfaced at meetings. Due to the confidential nature of the work, an in-person approach would also minimise the risk that material will be circulated more widely.

7. Other approaches to gain sector input to inform the February report back are:
   - Surveying the sector
   - Requesting information through email, on an ad hoc basis
   - Further hui around the country.

8. We do not consider these alternatives would yield the depth of input that working with a smaller group will provide.

Role of the advisory group

9. The Ministry considers that HSAG's role should centre on providing specialist advice on the approach to transition the sector to a Level 4 ECE qualified workforce. HSAG could also aid the Ministry in determining the financial impacts of changing the quality rate criteria in 2020.

10. If time permits, HSAG could also provide input into further work the Cabinet paper committed to, such as work on the funding and licensing system. The proposed terms of reference are attached as Annex One.
Composition of the advisory group

11. We propose that HSAG is made up of 10-12 members, broadly including:

- the two main home-based ECE peak bodies
- a mix of large and small providers
- a provider with a regional focus
- a Pacific immersion provider
- an educator representative
- a representative from kōhanga reo
- a tertiary education organisation representative.

12. If you agree to this approach, we will send an email to ECAC announcing the establishment of HSAG, followed by an email to the home-based ECE sector requesting nominations.

Next Steps

13. If you agree, the Ministry will send an email to both ECAC and the home-based sector in April. The first HSAG meeting will be around May/June. The Ministry considers that at least three meetings will be needed.

14. The Ministry will provide you advice on approaches to transition the sector in November, ahead of the February 2020 Cabinet report-back.
Annex 1: Home-based Sector Advisory Group Terms of Reference

Introduction
The Government has agreed to a number of changes to policy settings for home-based early childhood education (ECE), arising out of the Review of Home-based ECE (the Review).

The primary change is that the home-based ECE sector will become a fully qualified workforce, with all educators eventually being required to hold, or be actively working toward, a Level 4 ECE qualification or Te Ara Tuarua (the level 5 kōhanga reo qualification) or higher.

The Ministry of Education will provide the Minister of Education with further advice on a range of options as to when the Level 4 ECE qualification could be regulated, including how changes to funding criteria could be used to incentivise this shift.

Terms of Reference

Objectives
The overall objective of the Home-based ECE Sector Advisory Group is to provide a specialist perspective on the approach to phasing policy changes arising from the Review.

Scope
The Sector Advisory Group’s role will centre on providing advice on how to best support the sector to transition to a Level 4 ECE qualified workforce. The Group may also provide input into other policy work streams that have a particular focus on the home-based ECE sector.

Stages
The Review concluded in January 2019. The Minister has agreed to report back to Cabinet in February 2020 with further information on the financial and forecasting implications of changing the quality rate criteria.

This will involve more detailed policy development and analysis by the Ministry on the following:

- Timeframes around when the Level 4 ECE qualification will become a mandatory requirement
- How criteria for the standard and quality rate will be amended and sequenced, to incentivise the shift to a qualified workforce
- Potential financial and forecasting implications of changing quality rate criteria in 2020
- A grand-parenting framework for the new system, to recognise educators who hold a Level 3 ECE qualification
- If time permits, further work on the funding and licensing system for home-based ECE.

Principles for operation
The Group will have access to data, research and analysis, as appropriate around the specific topics under discussion. This will include material that is still at a conceptual stage of development.

The responsibilities of the Group members are:
• to act in an advisory role to the Ministry, by providing technical advice and analysis to the Ministry in order to inform and assist with progressing work arising out of the conclusion of the Review. The group will not be in a decision making role or be asked to produce a separate report
• to attend all scheduled meetings. When members cannot attend substitutes will not be able to be sent
• to undertake pre-meeting reading, if provided; engaging fully with the material at each meeting; and completing any post-meeting actions
• to maintain the confidentiality of information provided for their advice, comment and critique.

Disclosure

The Terms of Reference and Group membership will be published on the Education Conversation | Kōrero Mātauranga website, on the dedicated Review page.

The Ministry of Education will maintain oversight of the Group and is responsible for keeping the Minister informed of any relevant outcomes, risks and issues.

Meetings and administration

Meetings of the Groups will be held at the Ministry’s National Office, Mātauranga House, 33 Bowen Street, Wellington. The Ministry will cover all costs directly associated with hosting the meetings, including transport, catering and any other actual and reasonable expenses associated with members’ attendance. This does not include professional fees.