



1 July 2025 – 30 June 2027 **changes to the Pay Parity Opt in Scheme**



**Te Tāhuhu o
te Mātauranga**
Ministry of Education

Changes to setting of the initial pay step for newly certificated teachers and teachers new to the ECE sector

What change is being made to pay parity requirements for newly certificated teachers and certificated teachers who are new to the New Zealand ECE sector?

From 1 July 2025 until 30 June 2027, education and care (including hospital-based) services that have opted into the pay parity scheme, can determine the starting salary step for newly certificated teachers and certificated teachers who are new to working in the New Zealand ECE sector (e.g., a primary school teacher with no prior experience in ECE). This means these services no longer need to take into account higher qualification groups, previous relevant work experience, and recognised service (if the teacher has no experience as a certificated teacher in ECE) when determining the initial salary step for the teachers described above.

This includes if these certificated teachers gain an improved qualification during this time period, while in their first teaching position, services do not need to consider this in their salary determination, but they may choose to.

Services opted into the pay parity scheme are still required to pay their permanently employed newly certificated and certificated teachers that are new to the sector at least step one of the minimum salary scales. They can choose to pay more than this minimum amount at their discretion. This change does not affect the requirement for services to progress teachers up the salary scales as they complete the specified hours of work.

The minimum salary scales are published in the ECE Funding Handbook on the Ministry website:



[ECE Funding Handbook: Appendix 4 – Ministry of Education](#)

For guidance on determining a certificated teacher's initial salary step:



[Pay parity opt-in scheme – Ministry of Education](#)

What is the pay parity scheme for education and care services?

Pay parity is an opt-in scheme provided by government to support education and care services, including hospital-based services, pay their permanently employed certificated teachers the minimum salary scales described in the ECE Funding Handbook. Services may opt into one of four progressively higher funding rates, with each higher rate requiring services to attest to paying more of the eleven pay steps in the scheme. The highest 'full parity' rate requires services to attest to paying all eleven steps to teachers as well as additional pay steps for designated management positions.

Pay parity refers to parity with kindergarten teachers. The pay steps in the scheme are based on the Kindergarten Teachers, Head Teachers and Senior Teachers' Collective Agreement (KTCA) pay scale as at December 2023.

The minimum salary scales are published in the ECE Funding Handbook on the Ministry website:

 [ECE Funding Handbook: Appendix 4 – Ministry of Education](#)

Funding rates for services are published in the ECE Funding Handbook on the Ministry's website:

 [ECE Funding Handbook: Appendix 1 – Ministry of Education](#)

Why has the change been made?

The Government has made this change to support the sustainability of education and care services and provides further support alongside the cost adjustment to subsidy rates announced as part of Budget 2025. It also provides a simpler system for services to negotiate pay for new certificated teachers in ECE.

How is a newly certificated teacher defined?

A newly certificated teachers is any certificated teacher who has not previously worked any hours as a certificated teacher while employed by a licensed early childhood centre or kindergarten in Aotearoa New Zealand. For example, a teacher who is working as an uncertificated teacher and becomes certificated while this change is in place would be considered newly certificated because their prior teaching experience was not as a certificated teacher.

How is a certificated teacher who is new to the ECE sector defined?

A certificated teacher who is new to the ECE sector is defined in the same way as a newly certificated teacher: any certificated teacher who has not previously worked any hours as a certificated teacher while employed by a licensed early childhood centre or kindergarten in Aotearoa New Zealand. These definitions can encompass different groups. For example, a certificated teacher with teaching experience in the primary sector, but no experience in a licenced early childhood centre or kindergarten would be considered new to the ECE sector. This also includes certificated teachers with experience working within a licenced ECE service while employed by a reliever agency, but who have not previously worked any hours as a certificated teacher while directly employed by a licensed early childhood service or kindergarten.

When will the new pay parity requirements take effect for services hiring newly certificated and certificated teachers who are new to the ECE sector?

Services will be able to determine the starting salary step for newly certificated teachers and certificated teachers who are new to working as a certificated teacher in the New Zealand ECE sector from 1 July 2025. Teachers covered by the pay parity scheme will still need to be paid at least Step 1 of the minimum salary scale. It is important for services to be aware of how the moratorium will impact them and their funding submissions from the July funding period onwards. The RS7 Return for the July funding period is due on 9 June 2025. Further details are contained in the moratorium section below.

What are education and care, and hospital-based services?

Education and care services, often referred to as daycare, creches or preschools, are teacher-led centre-based services for children under six years old that are not controlled by a kindergarten association. Education and care services are the most common type of ECE service. These services must be licenced, and comply with the requirements of their licence, as well as the minimum regulatory standards. For example, there must always be a person(s) responsible on site for every 50 children, who must hold a recognised qualification and current practicing certificate from the Teaching Council of Aotearoa New Zealand.

Hospital-based services are education and care services provided within hospital settings for children under six years old who are also receiving health services. They are already able to opt in to the pay parity scheme. Similar to education and care services, these services must also be licensed and comply with the requirements of their licence and minimum regulatory standards. There is overlap of funding and regulatory requirements across hospital-based services and education and care services.

Which education and care services, including hospital-based services, are in scope of the change?

This change will apply to all education and care services (including hospital-based) that have opted into the pay parity scheme.

Will this impact the ability of services to pay certificated teachers the amounts they have already committed?

Existing pay agreements with teachers will still need to be honoured. This means currently employed certificated teachers should not be affected by the change. This change and the moratorium will also not affect the existing funding rates that services receive.

Once the two-year period is finished, will certificated teachers be placed on the pay step they were eligible for under the status quo?

No decisions have been made on how conditions would be applied after the two-year period expires. These decisions would be made in sufficient time to allow services to make plans around staffing and will depend in large part on the outcomes of the ECE Funding Review.

What are certificated teachers?

A certificated teacher is a holder of a current practising certificate that has been issued by the Teaching Council.

Note: For ECE funding purposes, certificated teachers must have:

- a NZ ECE or primary teaching qualification and a current practising certificate, or
- an overseas qualification assessed by NZQA as comparable to a NZ ECE or primary teaching qualification and a current practising certificate, or
- a letter from the Teaching Council with a clear ECE or primary “endorsement” (where registration has been gained through the Council’s discretionary pathway), and a current practising certificate.

Moratorium on moving pay parity funding rates

What is the moratorium on moving to higher pay parity funding rates?

Services receiving either parity or extended parity funding rates when the moratorium begins will be unable to opt into higher funding rates. Services will, however, be able to opt into lower funding rates (ie, attest to lower salary scales). If a service moves to a lower funding rate, they will be capped at that rate. For example, a service moving from full parity to extended parity funding rates will be unable to move back to full parity funding rates during the moratorium period.

Additionally, in contrast to the existing rules, services will not be able to retrospectively change their attestation (using a prior period RS7 return) as part of subsequent funding payments during the moratorium. This moratorium will be effective from the July funding period. See below about the last opportunity to move to a higher salary scale.

Why is there the moratorium on moving funding rates?

The moratorium is intended to help the Government offer cost relief to ECE services while keeping the cost of the change neutral for taxpayers.

Why is the moratorium set for two years?

The two-year moratorium provides time for the Government to undertake an ECE Funding review, and to consider any recommendations that arise from the review.

When is the last opportunity for services to move to a higher funding rate?

The last opportunity for services to opt into a higher funding rate in their RS7 Return for the 1 July payment is 9 June 2025. This is for the period that covers February to May wash-up.

If a service wishes to change the funding rate of their advance payment (June to September) of the July funding round, they will need to contact the Ministry on the below email, also by 9 June 2025. This would require services to have paid their certificated teachers the correct salary scale amounts from the 1st of June. No other movement to higher salary scales will be permitted beyond this.

Ministry email address: ECE.Resourcing@education.govt.nz

Services that attest to paying the base salary scale, as well as those that are not currently opted into the pay parity scheme, will be excluded from the moratorium. This exclusion also applies to new services, and those that have undergone a change in ownership. These excluded services can attest to any funding rate when completing their RS7 return. However, after their first return, the moratorium will apply to them as it does other services.

Can services attest to base salary scales and then opt in to Full Parity salary scales in the following funding period?

Yes, services can attest to the base salary scale or opt out of the pay parity scheme and then attest to paying a higher salary scale in a subsequent funding period. However, these services must spend a full funding period receiving base funding rates. This means these services will not be able to resubmit a prior period RS7 to change their attestation in following funding rounds during the moratorium.

Can a service move down a funding rate and then move back to the higher funding rate they were on previously?

No, a service cannot move back to the funding rate they were on previously unless they spend a full funding period on base parity or opt out of the pay parity scheme (for a full funding period).

Who does the moratorium apply to?

The moratorium applies to education and care services, as well as hospital-based services that attest to paying the Parity or Extended Parity salary scales. These services will not be able to attest to paying higher salary scales after the July 2025 funding payment, for a period of two years.

Why are services on base funding rates and those that have not opted into the pay parity scheme exempt from the moratorium?

These services are a small minority but are at greater risk of financial difficulty than other services. Enabling access to higher funding rates is intended to help provide additional relief to counter this risk.

Does the moratorium apply to new services and services that have undergone a change in service provider (ownership)?

These services are excluded from the moratorium and will be allowed to attest to paying any salary scale when completing their first RS7 return since establishing or changing ownership.

GLOSSARY OF LINKS:

ECE Funding Handbook: Appendix 4 – Ministry of Education

<https://www.education.govt.nz/education-professionals/early-learning/funding-and-financials/ece-funding-handbook/appendix-4>

Pay parity opt-in scheme – Ministry of Education

<https://www.education.govt.nz/early-childhood/people-and-employment/pay-parity-opt-in-scheme/>

ECE Funding Handbook: Appendix 1 – Ministry of Education

<https://www.education.govt.nz/education-professionals/early-learning/funding-and-financials/ece-funding-handbook/appendix-1>



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