

Overview of ECE workforce levers

Purpose

1. 9(2)(g)(i)

 - Government's role in supporting the ECE workforce to deliver great outcomes for children,
 - the range of workforce settings / levers that the government has available to it, and the specific role of funding levers.
2. This paper provides initial high-level information to inform a MAG discussion on these matters, including how these levers are used currently.

Government's role in supporting the ECE workforce to deliver outcomes for children

Government has a role in ECE because market provision alone may not deliver accessible, affordable, high-quality, and equitable services

3. The government has a statutory interest in ECE to set minimum standards to prevent harm and achieve positive benefits that participating in high quality ECE has for children's learning, wellbeing, and development, and for parents' and caregivers' participation in the labour market.
4. ECE services are delivered by private and community providers, rather than directly by the Crown. In the absence of government intervention, ECE services would still be provided through local markets. However, market provision alone would be unlikely to produce a system in which high-quality services are consistently accessible, affordable, and equitably available across all families and communities. The goals of government intervention are therefore to address market failures (such as under-supply or unsafe provision) and promote equitable access, high quality provision and affordable services.

Because ECE is a workforce-intensive service, workforce settings are central to quality and provision

5. The policy, funding, regulatory, employment and wider settings that help shape the capacity and capability of the ECE workforce are particularly important because ECE is an interaction-intensive service: children's learning, wellbeing, and safety are shaped through day-to-day relationships, routines, and adult-child interactions. Research evidence supports the importance of these matters, but cannot specify particular levels or balances of settings.
6. Workforce settings and characteristics are therefore central to quality, safety, and to the wellbeing of children who attend ECE. These are shaped by many actors: ECE service providers, occupational regulators, teachers and their professional bodies, and government in funding and regulatory roles. Key elements include:
 - Qualifications, registration and certification
 - Ongoing professional learning and development
 - People leadership and management
 - Pay and conditions
 - Specific interventions for teacher supply, including supply of specific skills (e.g. language)
 - Retention and career progression
7. These workforce settings affect both structural and process dimensions of quality. They also affect the capacity of services to maintain, expand, or offer the types of provision families want and need, as

services require a reliable supply of qualified and certificated teachers to meet regulatory requirements and sustain quality provision.

Government intervenes in the ECE workforce, but it is not the employer of ECE teachers

8. Government's role in the ECE workforce is within the context of:
 - ECE services being owned and operated by independent or non-government providers,
 - The cost of provision being co-funded by government and parents/caregivers
 - ECE services being the employers of their teachers and other staff, setting job descriptions and pay and conditions in most cases.
 - Government having minimal control over where services open, the business models they adopt, the fees they charge or workforce choices they make, other than through the regulatory and funding settings it establishes.
9. The government's regulatory and funding roles are set out in the Education and Training Act 2020. The Act also prescribes that in one part of the sector – kindergartens – the government has an industrial relations role. The Public Service Commissioner negotiates kindergarten teacher pay on behalf of kindergarten associations, effectively acting on behalf of the employer in this process. This can be considered a lever, with only partial coverage of the workforce.

Government workforce settings / levers

10. Government uses a range of interconnected levers to support the ECE workforce and, through it, the quality of provision children experience. These are described in **Table 1** below. Some of these levers apply to the wider education workforce, not just ECE teachers. Funding and regulation are key levers: others include evaluation and information, support for curriculum implementation and professional development.
11. These levers do not replace providers' role as employers or determine their day-to-day staffing decisions directly. Instead, they shape the regulatory, financial, and professional settings within which those decisions are made, including the incentives and constraints that affect workforce quality, workforce supply, and the availability of qualified staff.

Funding is a key lever, alongside regulation

12. Regulation is a primary lever through which government sets minimum workforce expectations and establishes the baseline for quality, health and safety in ECE. It includes requirements relating to teacher qualifications and certification, staffing ratios, and other licensing standards that support children's safety and quality of provision (such as the requirement for teachers to be police vetted).
13. Government funding is a central lever because (alongside fees) it shapes the financial conditions within which providers make workforce decisions. In practice, staffing costs are a major component of service delivery, particularly in teacher-led services.
14. Remuneration-related settings can also materially affect provider behaviour. Where government influences the funding and policy settings relevant to pay and employment costs, it also affects the incentives and constraints providers face in recruiting and retaining staff. Funding settings can reinforce and incentivise regulatory settings: for example funding rules for certificated teachers provide incentives for ECE services to ensure teachers gain and maintain registration.
15. These settings do not remove providers' role as employers, but they do shape the employment environment within which provider decisions are made. Because ECE funding influences teacher pay,

changes would need to be managed carefully, and with sufficient transition time to allow providers to adjust their arrangements.

16. Funding is currently used in a mix of prescriptive and enabling ways:
- a. **It is used prescriptively** to set minimum registered teacher pay levels for access to any funding
 - b. **It is used to incentivise and enable providers through conditional funding** (a large proportion of current spending) such as
 - i. Funding bands for operating with different proportions of registered teachers
 - ii. The opt-in pay parity funding scheme that enables higher levels of pay based on experience and qualifications
 - c. **It is also used to enable providers through general grant-in-aid funding** that underpins subsidy funding
 - i. this subsidises ECE provision without prescribing the nature of employment arrangements including job scoping, recruitment and retention/progression decisions
 - ii. enables providers to take 'make or buy' choices and decisions about the level of investment in workforce development.
17. These settings, and in particular the prescriptive and conditional funding, shape balances such as:
- a. *the role of government and of employers and their teachers* in shaping the ECE workforce;
 - b. *autonomy and consistency in workforce development* within ECE, between Education and Care and kindergarten, and between ECE and schooling,
 - c. *transparency for teachers and parents, and simplicity for providers*. Detailed settings to provide for particular results are likely to increase complexity in the system.
18. MAG's choices about the future use of funding levers to support workforce objectives will influence these balances and choices.
19. In previous meetings MAG has discussed a range of options. Discussion questions about these include:
- a. **Is MAG willing to consult on options to reduce use of current conditional funding for workforce goals over time, or to target it more?** What design elements are important for these? How would accountability be supported? What flexibility would this add to the system?
 - b. **Does MAG seek to consult on options to increase the range or scope of conditional funding streams for workforce development** (eg ideas like release or leadership time, or PLD)? What design elements are important for these? What complexity would this add to the system?
 - c. **Does MAG intend to consult on greater standardisation or on more independence** in setting the roles of teachers or employers in ECE? In what ways? What design elements are important for these?

Table 1: how government uses a range of levers to influence key workforce settings

Workforce setting	Lever
Supply and availability of teachers (qualified, certificated, language skills)	Education system funding <i>ECE system specific:</i> • Certificated teacher funding bands – teachers must meet and maintain registration, including continuing to meet teacher registration standards • Waha Rumaki (Māori Immersion teaching allowance): \$5,000 - \$12,000 p.a. per teacher, based on years of experience and level of immersion of ECE service). • Pacific immersion teaching allowance: \$4,000 - \$8,000 p.a. per teacher, based on years of experience and level of immersion of the service. <i>Other Education funding:</i> • Tertiary education funding of ECE teacher EFTS and student loans and allowances • Removal of Teaching Council registration practicing certificate registration or renewal fee • TeachNZ scholarships Regulations • Provision for staff in final year of ECE initial teacher education (or recently completed unassessed practicum) to count as “qualified” for regulatory compliance purposes. • ECE regulations have less stringent professional thresholds and measurement bases than funding settings: regulatory requirements based on a proportion of required staff holding a recognised qualification, whereas certificated funding bands are based on certificated teachers counted in ratio. Overseas teacher supply • Immigration settings: Qualified ECE teachers are on Accredited Employer Work Visa Green List (streamlined pathway to residency) • Overseas finder’s fee: \$3,450 per overseas teacher¹ • Overseas relocation grant: up to \$10,000 per teacher²
Pay and conditions	Education system funding • Pay parity funding: Introduced in 2022, the scheme sought to address the long-standing pay disparity between certificated teachers in education and care services, and certificated teachers in kindergartens. Industrial relations • Kindergarten Teachers Collective Agreement (KTCA): The Public Service Commissioner is legally responsible for negotiating under the Employment Relations Act 2000 every collective agreement applicable to employees in the education service as if the Commissioner were the employer. Kindergarten teachers are identified as employees in the education service (s10(7)). The KTCA is negotiated between the Public Service Commissioner (usually

¹ [Schools' finder's fee for recruiting teachers from overseas | Education Workforce](#)

² [Overseas Relocation Grant | Education Workforce](#)

	delegated to the Secretary for Education) on behalf of the kindergarten associations, and the NZEI Te Riu Roa.
Capability, support, leadership	Education system funding - Strengthening Early Learning Opportunities (\$9.0 million) provides highly targeted professional development for early learning staff and leaders across areas such as licensing requirements (e.g. governance and management, health and safety, Te Whāriki curriculum), targeted support for te reo and tikanga Māori practices, teaching and learner support capability, and inclusive early learning environments. [note: this is not in the MAG ToR's list of in-scope funds] - SELO is intended to complement ECE services' own investment in capability and support areas of very high need. Teacher registration standards - Teacher registration code and standards are currently set by the Teaching Council (the professional body for teachers). The Education and Training (System Reform) Amendment Bill includes provisions that would shift the setting of teacher registration standards, initial teacher education (ITE) requirements, and the code of conduct from the Teaching Council to the Ministry of Education. The Teaching Council would continue to administer these requirements. - Funding rates provide an incentive for teachers to gain and maintain registration. Regulations - Licensed ECE services required to provide PLD opportunities to staff as part of meeting governance, management, and administration requirements. - Legislation requires services to implement Te Whāriki (the ECE curriculum) and other curriculum standards. This requirement is reflected in the regulations. - The regulations specify a supervisory role (person responsible) is required for every 50 children. People with either an ECE or primary qualification can be a person responsible. Evaluation and information - ERO undertakes regular independent evaluations of ECE services in accordance with the Education and Training Act 2020. ERO reviews all service types across English, Māori and Pacific medium settings. Support - Ministry provides targeted PLD resources for priority initiatives such as Kowhiti Whakapae, an online curriculum resource designed to help early learning kaiako strengthen planning, formative assessment and teaching practice within the framework of Te Whāriki: He whāriki mātauranga mō ngā mokopuna o Aotearoa (2017). - Tāhūrangi – Te Whāriki Online website provides curriculum guidance and resources