

Pay Parity Funding Review

Consultation Hui – home-based focused



Nau mai, haere mai!

Tēnā koutou, tēnā koutou, tēnā koutou katoa. He mihi nui, he mihi mahana ki a koutou kua hono mai i te pō nei.

We look forward to speaking with you shortly.

Due to the large number of participants, we will be opening the chat function to take questions during tonight's presentation.

We'll also be making tonight's slides available on our website after we have completed all the consultation hui.

Ngā mihi nui 😊

Karakia tīmanga



Ka hikitia, ka hikitia! Hiki, hikitia!

Whakarewa ki runga rawa

Herea kia kore e hoki whakamuri mai

Poua atu te pūmanawa Māori

He mana tikanga me te uri o Māia

Poipoia ngā mokopuna, ngā rangatira mō āpōpō

Ka tihei! Tihei mauriora!

Purpose of this Hui

- Explain the Ministry's proposals in the Pay Parity Funding Review
- Answer questions to support you to make an informed submission
- You have until EOD **6 June 2023** to make a submission or to answer the survey





How tonight will run

- Background
- **Proposal 1: education and care services**
 - Overview of proposal & key features
- **Proposal 2: home-based services**
 - Background
 - Coordinator pay
 - Opportunity to ask questions*
 - Option A: Coordinator Salary Subsidy
 - Option B: Uniformly increasing subsidies
 - Opportunity to ask questions*
 - Prompt questions – what might this look like in your service?

Background of pay parity



Pay parity is the idea that one group of workers who perform similar work and have the same qualifications and experience as another group should be paid equally



The Government committed in its **2020 Election Manifesto** to move towards pay parity for teachers working in education and care services with their counterparts in kindergartens.

Pay parity also relates to Action 3.4 in the **Early Learning Action Plan**, which seeks to improve levels and consistency of pay and conditions for teachers.

The Current Funding System



Subsidy Funding	
Type	Function
ECE Subsidy (main grant – part funding/hour)	FCH ¹ = 6 hrs per child per day, up to 30 hrs per week, from birth to school age.
20 Hours ECE Subsidy (main grant – full average funding/hour)	FCH = 6 hrs per child per day, up to 20 hrs per week, from ages 3 to 5. Replaces 20 of 30 ECE Subsidy hrs.
Equity / TFFD	Outside of main subsidies.

¹ FCH = funded child hours



Different funding rates for different service type.

Funding is received as one sum to be spent at discretion of service (“bulk” funding)

Service Types
Education & care services ²
Kindergartens
Home-based services
Kōhanga Reo
Playcentres

² Includes hospital-based services

Overview of Proposal 1 (E&C services)

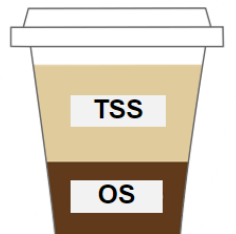


Proposed approach splits two main early learning subsidies (the ECE Funding Subsidy and 20 Hours ECE subsidy) across two new subsidies.

1. **A Teacher Salary Subsidy (TSS):** a subsidy that can go up or down depending on funded child hours, certificated teacher pay steps, and the proportion of certificated teachers at a service. Must be spent on certificated teacher salaries.
2. **An Operating Subsidy (OS):** a subsidy paid at fixed rates per child hour. Can be spent on any expense.

The TSS and OS are funded from existing education and care service funding, plus any additional funding from future Budgets before the approach goes live.

The design of the TSS determines how much funding is split across the two new subsidies.



Proposal 2: Home-based ECE services



- Coordinators in home-based services are in scope of the review. The intention is to limit the loss of coordinators to teacher-led centre-based services.
- The proposal puts forward that the minimum pay step applies to all coordinators. The funding mechanism would also apply to all home-based services.
- Additional 'pay gap' funding would need to be added. 'Pay gap' funding refers to the gap between current salaries and the minimum required salary step.
- Implementation would be from late 2024.
- We are consulting on:
 - The minimum pay step for coordinators and how on call hours should be treated
 - Two options for how pay parity funding could be delivered:
 1. Option A: Creating a Coordinator Salary Subsidy **OR**
 2. Option B: Uniformly increasing subsidies to account for coordinator salaries



The Pay Parity Funding Review

As with education and care services, existing underlying settings shape the proposal.

Existing settings to be observed

- Costs remain shared between private and public sources
- Overall funding limited to existing funding plus any new pay 'gap' funding from future Budgets
- Child attendance hours remain the base unit for funding
- Existing hour limits remain (6 hours/day, 30 hours/week)
- 20 Hours ECE is retained

Home-based – coordinator pay



At what minimum pay step should coordinators be paid?

Three possible options for setting the pay step that services must pay coordinators (from highest to lowest):

1. “K2” step from the KTCA (currently \$94,175)
2. A set step lower than “K2” but higher than Step 11 of the “K1” base-teacher rate from KTCA
3. Step 11 of the “K1” base-teacher rate from KTCA (currently \$90,000)

These rates are intended to reflect the oversight responsibilities of coordinators. The pay step would be irrespective of qualifications or experience.

Home-based – coordinator pay



How should on call hours be treated?

Your feedback is sought on the extent coordinators are on call and how services remunerate coordinators when they are on call.

Are there other factors that need to be taken into account in coordinator pay – eg lunch cover

Should coordinator FTTE entitlement include managers of coordinators?

Certificated teachers in management roles are included in the education and care proposal

Certificated teachers who manage coordinators in home-based services could potentially be included in pay parity. The extent and nature of these arrangements currently is not clear

If managers of coordinators were included, we think the following would need to apply:

- Only services with multiple licences would be eligible for additional funding
- It would need to be delivered through Option A – Coordinator Salary Subsidy
- A ratio of K3 managers to FCH would need to be developed



Questions? He pātai?

Option A: Coordinator Salary Subsidy



This option would involve:

- Creating a Coordinator Salary Subsidy (CSS), which could only be spent on coordinator salaries
- CSS would be created from existing subsidies + pay gap funding
- Proposed ratio:

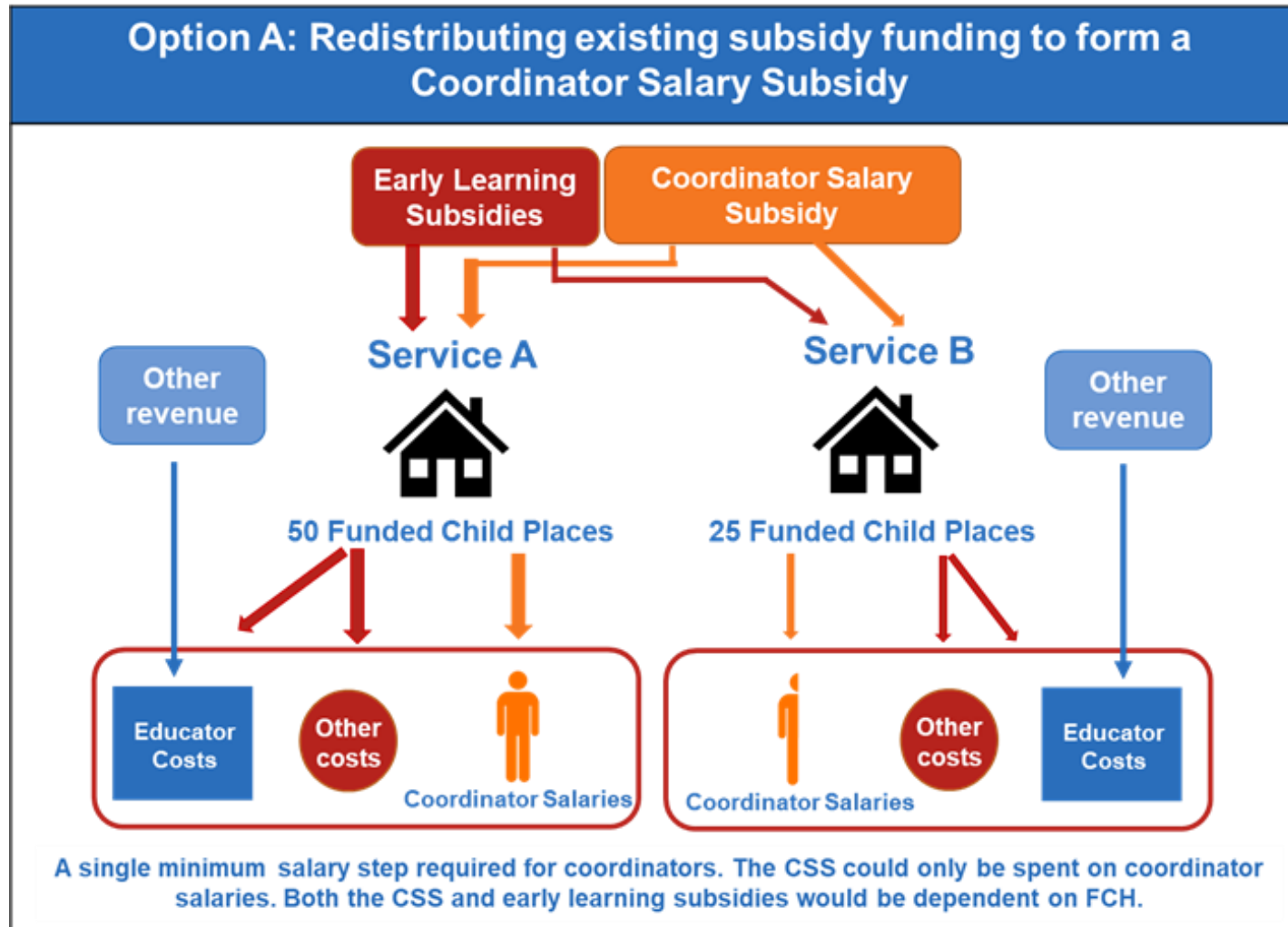
1 FTE coordinator:	50 funded child places
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Funded child places = 30 FCH x 50 weeks

50 funded child places = 75,000 FCH per year
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- Proposed ratio is the same as in one of the management options for centre managers/K2 in education and care services
- CSS would go up and down with Funded Child Hours
- Remaining funding would be delivered through ECE Subsidy & 20 Hours ECE

Option A: Coordinator Salary Subsidy



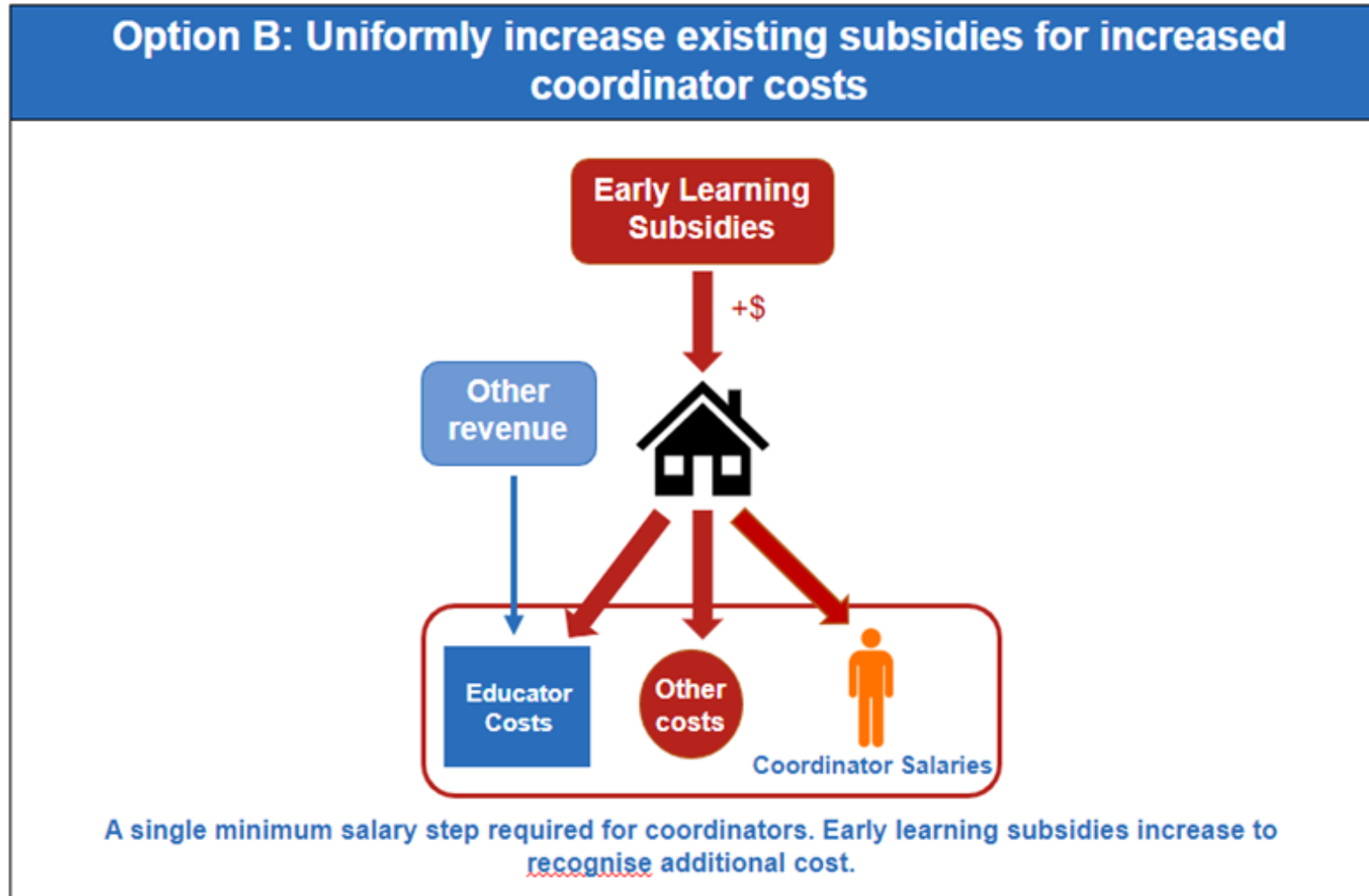


Option B: Uniformly increasing existing subsidies

- Increased subsidies (20 Hours ECE, ECE subsidies) to reflect increased coordinator costs
- This option may be possible because of the single salary step for coordinators
- Funding is dependent on FCH

The additional funding is the same in both options, the difference is the level of flexibility and transparency

Option B: Uniformly increasing existing subsidies



What impacts might there be?



As with education and care services, we cannot confirm final funding for home-based services yet. We will need up-to-date coordinator pay data to determine total additional funding required

We did not receive sufficient responses from home-based services to the financial survey to be able to model possible impacts on home-based services. We are interested in your feedback on possible impacts.

The following questions may be helpful:

- What ratio of full-time coordinators to funded child places do you operate?
(funded child place = 30 FCH x 50 weeks = 1500 Funded Child Hours)
- To what extent do your enrolments & FCH fluctuate through the year? How will this work with a fixed minimum pay rate for coordinators?
- What proportion of your government funding is spent on coordinator salaries? If the set coordinator pay step meant a higher proportion must be spent on coordinator salaries, what would that mean for your service?



Questions? He pātai?

Focus of Feedback



Focus of feedback is on the options outlined in the consultation material

Education and Care Services

- Calculating teacher FTTE approach for the TSS
- Calculating management funding for the TSS
- Determining the funding provided through the TSS
- Calculating the OS

Home-based Services

- Determining the minimum pay-step for coordinators
- Creating a CSS or increasing existing subsidies

Next Steps



Please see our consultation page <https://consultation.education.govt.nz/te-puna-kaupapahere-policy/early-learning-pay-parity-review/>,

Provide your feedback through:

- Online survey
<https://consultation.education.govt.nz/te-puna-kaupapahere-policy/early-learning-pay-parity-review/consultation/intro/>
- Written submissions can be emailed to ECE.PayParity@education.govt.nz

Consultation closes on **6 June 2023**

Following consultation, the Ministry will be analysing consultation feedback and providing advice to the Minister of Education.

A copy of the slides will be available on our website after the we have finished the hui series. We will also be updating our FAQs to reflect some of the pātai we have received throughout the hui.

Karakia mutunga



Kua hikitia te kaupapa, kua takoto te wero

Me hoe tahi i runga i te whakaaro kotahi

Tiaki tō tātou oranga

Kia kaha ai mō te tuku taonga

Kia tutuki ngā hiahia mō Ka Hikitia

Tihei mauriora!

Ki te whai ao, ki te whai oranga e!

Mauriora!