

Regulatory Impact Statement: ECE Regulations – Changes to requirements for person responsible

Coversheet

Purpose of Document	
Decision sought:	<i>Cabinet approval to amend the Education (Early Childhood Services) Regulations 2008 to remove the requirement that from 26 August 2024 person(s) responsible in early childhood (ECE) services must hold a Full (Category One or Two) Practising Certificate</i>
Advising agencies:	<i>Ministry of Education</i>
Proposing Ministers:	<i>Associate Minister of Education, Hon David Seymour</i>
Date finalised:	<i>20 March 2024</i>
Problem Definition	
<p>The requirement for person(s) responsible in early childhood education (ECE) services to hold a Full (Category One or Two) Practising Certificate from 26 August 2024 would impose high regulatory costs and burdens on some ECE service providers. Sector representatives believe this would negatively impact the ability of some service providers to provide affordable and accessible services to parents and children. It is likely that small services, services in low socio-economic and isolated communities, and Māori and Pacific bilingual and immersion (language) services would be disproportionately impacted by the requirements.</p>	
Executive Summary	
<p>Key priorities for the Coalition Government include improving the quality of regulation and providing opportunity for all in education. In December 2023, the Early Childhood Advisory Committee (ECAC) advised the Minister of Education of some “quick win” policy changes it considered would reduce the regulatory burden on the ECE sector. This included amending the Education (Early Childhood Services) Regulations 2008 (the Regulations) to remove the requirement for person(s) responsible to hold a Full (Category One or Two) Practising Certificate by 26 August 2024. The Early Childhood Council (ECC) made similar recommendations in its December 2023 Briefing to Incoming Ministers (BIM), including that the requirement could be removed or deferred for two years to 26 August 2026 to give service providers more time to comply.</p> <p>The person(s) responsible role is a key supervisory role within licensed ECE services, with responsibility for supervising children and other adults that supervise children. The Regulations require there be one person responsible for every 50 children in attendance (i.e., 1:50). Currently, those holding the role of person(s) responsible must hold a</p>	

recognised teaching qualification¹ and any one of the four practising certificates issued by the Teaching Council of Aotearoa New Zealand² (the Teaching Council). From 26 August 2024, they would be required to hold a Full (Category One or Two) Practising Certificate. These certificates are for experienced teachers³ who have been and continue to be endorsed as meeting the Teaching Council's Standards for the Teaching Profession; or are considered as likely to meet them.

ECAC and ECC believe that the additional costs of employing more qualified teachers combined with constraints on the supply of teachers with a Full (Category One or Two) Practising Certificate could impact the affordability and accessibility of ECE services for parents, which could affect labour market participation. Small services, services in isolated and low socio-economic communities, and Māori and Pacific language services are expected to be disproportionately affected due to the wider challenges they face recruiting and employing teachers.

The Associate Minister of Education sought advice on progressing the ECAC "quick win" proposal with urgency. The options considered are:

1. Status quo, person(s) responsible would be required to hold a Full (Category One or Two) Practising Certificate from 26 August 2024;
2. Amend the Regulations to remove the requirement that person(s) responsible must hold a Full (Category One or Two) Practising Certificate from 26 August 2024 and retain the current requirement that they hold a practising certificate;
3. Amend the Regulations to defer the requirement that person(s) responsible must hold a Full (Category One or Two) Practising Certificate from 26 August 2024 to 26 August 2026.

The options were considered against the following objectives:

1. Reduce the regulatory cost and burden for ECE service providers; and
2. Providing opportunities for all in education.

The options were also assessed against the following criteria:

1. Educational outcomes
2. Timeliness of response
3. Ease of implementation
4. Fiscal cost

Based on the analysis outlined in this RIS, option two is the recommended option. Option two meets the policy objectives of reducing regulatory burden and providing opportunity for

¹ In teacher-led centres, person responsible may hold either a recognised primary or early childhood teaching qualification. In licensed home-based and licensed hospital-based services, they must hold a recognised early childhood teaching qualification.

² In addition to the Full (Category One and Two) Practising Certificates, these include the Provisional and the Returning to Teaching in Aotearoa New Zealand Practising Certificates.

³ Teachers issued with a Full (Category One or Two) Practising certificate have typically completed a two-year induction and mentoring programme supervised by a mentor.

all in education. In addition, the marginal benefits of option two outweigh the marginal costs. This option is also recommended in the Cabinet paper.

The context for these proposals has meant there are several constraints and limitations on the analysis. The problem definition and options are those identified by ECAC and ECC. The desire to progress the proposals with urgency has constrained the Ministry of Education's (the Ministry's) ability to collect data and/or evidence to support the analysis. Time constraints have also meant that no consultation has been undertaken with stakeholders on the proposals, other than those represented by ECAC and ECC (e.g., none with parents, teachers, Māori). Instead, the analysis has drawn on feedback provided during seven meetings the Ministry has held with sector representatives (including one with teachers) since November 2023, plus the feedback obtained from public consultation on the original policy proposals undertaken in September – October 2021.

As the recommended option involves removing a regulatory requirement that has not yet come into effect, no implementation is required (other than amending the Regulations). This also means the Ministry has no plans to monitor, evaluate or review the new arrangements. The Ministry intends to communicate the changes to the sector through its usual channels.

Limitations and Constraints on Analysis

The following constraints and limitations apply to the analysis that was undertaken to support the proposal for regulatory change:

- The options considered were those identified by the ECAC and ECC as “quick win” policy changes to support the sector.
- The problem definition was limited by the context within which the options and proposals were identified.
- The timeframes for the commissioning of advice and desire to respond quickly to the challenges facing the ECE sector has constrained the collection of data to verify the sector's claims about the potential impact of the status quo, including the type and magnitude of the costs and risks being experienced by different types of service providers. However, even without time constraints, the Ministry of Education (the Ministry) would not have access to the necessary data on the ECE workforce.
- The tight timeframes mean that no consultation on the proposals outlined in this RIS has been undertaken with stakeholders not represented by ECAC and ECC, including parents, teachers and Māori/iwi.

On balance, we do not consider that the constraints and limitations outlined above have materially impacted the conclusions of the analysis and proposals for regulatory change.

Responsible Manager(s) (completed by relevant manager)

John Brooker

General Manager, Systems, Connections and Early Learning Policy

Ministry of Education

20 March 2024

Quality Assurance (completed by QA panel)	
Reviewing Agency:	Ministry of Education
Panel Assessment & Comment:	The Ministry of Education's RIA QA panel considered this statement and assessed it as meeting the Cabinet's quality assurance criteria for impact analysis. This assessment recognises the constraints imposed by the timeframe on the analysis of impacts and on obtaining stakeholder views beyond those offered proactively by some stakeholders, and the limitation of options to those that provided 'quick wins'. Within these constraints, the statement provides clear and concise information to support decision making.

Section 1: Diagnosing the policy problem

What is the context behind the policy problem and how is the status quo expected to develop?

1. Key priorities for the Coalition Government include improving the quality of regulation and providing opportunity for all in education.
2. At its meeting with the Minister of Education on 6 December 2023, ECAC raised concerns about the level of regulatory burden and cost facing the ECE sector. ECAC identified several "quick win" policy changes to support the sector, including removing the requirement for person(s) responsible to hold a Full (Category One or Two) Practising Certificate by 26 August 2024.
3. ECC raised similar concerns in its BIM of 2 December 2023. It recommended either removing the requirement or deferring it for a further two years (i.e., from 26 August 2024 to 26 August 2026) to give service providers more time to comply.
4. The Associate Minister of Education sought further advice on progressing the ECAC and ECC proposals with urgency to support the achievement of the Government's key priorities.

Role of person(s) responsible within ECE services

5. The requirements for person(s) responsible in ECE services are set out in the Regulations. The person(s) responsible role is a key supervisory role within licensed ECE services. The Regulations require service providers to ensure that, at all times children attend the licensed service, those children, and the adults that provide education and care who supervise the children, are supervised by one or more person(s) responsible. There must be one person responsible for every 50 children attending the service.
6. The person(s) responsible role helps ensure that all children receive quality education and care as not all adults that work in licensed ECE services are required to hold a teaching qualification.⁴ In teacher-led centre-based services, the person(s) responsible is required to be directly involved in and responsible for children's day-to-day education

⁴ The Regulations require that 50 percent of required staff in a teacher-led centre-based service must hold a recognised early childhood teaching qualification. A maximum of one unqualified teacher in the final year of study towards this qualification may count towards the 50 percent requirement in an individual service.

and care, comfort, and health and safety. In licensed home-based ECE services, the person(s) responsible must also provide professional leadership and support to educators within the service.

7. Currently, the person(s) responsible must hold a recognised teaching qualification⁵ and any one of the four practising certificates⁶ issued by the Teaching Council⁷. This means that new and beginning teachers, those that have not taught for more than five years, and those with little or no experience implementing a prescribed curriculum framework in New Zealand can be person(s) responsible.

Recent changes to Person(s) Responsible requirements

8. On 17 August 2023, Cabinet agreed to amend the Regulations to require that from 26 August 2024, person(s) responsible in licensed ECE services must hold a Full (Category One or Two) Practising Certificate [LEG-23-MIN-0139 refers]. These certificates are for experienced teachers who have been and continue to be endorsed as meeting the Teaching Council's Standards for the Teaching Profession; or are considered as likely to meet them. Teachers issued with a Full (Category One or Two) Practising certificate have typically completed a two-year induction and mentoring programme supervised by a mentor, which means they have at least two years' teaching experience in a New Zealand context.
9. The changes aimed to ensure that those performing the role of person(s) responsible would have both the qualifications and experience necessary to perform the full duties and responsibilities of the role, including supervising other adults. Evidence suggests that being supervised by someone with the appropriate qualifications and experience can lead to improved practice. However, no specific evidence is available on whether being supervised by a person(s) responsible with a Full (Category One or Two) Practising Certificate rather than another practising certificate would lead to better outcomes for the ECE workforce and/or children. Also, experience, formal qualifications, and supervisory capability are not always connected. For example, some teachers may have many years of experience and strong supervisory capability, but for a range of reasons, not hold a Full (Category One or Two) Practising Certificate.

Sector concerns

10. At its meeting on 6 December 2023, ECAC identified removing the requirement for person(s) responsible to hold a Full (Category One or Two) Practising Certificate as a "quick win" policy change to assist the sector. ECC also recommended removing the requirements or deferring implementation by two years in its BIM.

⁵ In teacher-led centres, person responsible may hold either a recognised primary or early childhood teaching qualification. In licensed home-based and licensed hospital-based services, they must hold a recognised early childhood teaching qualification.

⁶ The only exceptions are person(s) responsible at licensed early childhood education and care centres affiliated with Te Whānau Tupu Ngātahi o Aotearoa – Playcentre Aotearoa and Te Kōhanga Reo National Trust Board. They must be qualified but are not required to hold a practising certificate.

⁷ In addition to the Full (Category One and Two) Practising Certificates, these include the Provisional and the Returning to Teaching in Aotearoa New Zealand Practising Certificates.

11. Despite being well supported during public consultation in September – October 2021⁸, a number of service providers have since told the Ministry that ongoing labour market constraints over the past three years regarding the supply of teachers with a Full (Category One or Two) Practising Certificate will make meeting the requirements by 26 August 2024 challenging. Other changes in the ECE sector since 2021 may have also impacted the ability of service providers to comply with the requirements, including ongoing cost of living pressures for parents and falling participation rates at some services, and the introduction of pay parity.
12. While the Teaching Council records the number of teachers with a Full (Category One or Two) Practising, the Ministry does not have access to robust data on the number currently employed by ECE services or the number currently available for employment. We also do not know the geographical location of the available supply of teachers. This means that while there may appear to be a sufficient supply of teachers with a Full (Category One or Two) Practising Certificate at a national level, service providers within certain regions, localised areas, and communities may not be able to access them. This makes testing and verifying the scope and magnitude of the sector's concerns very difficult.
13. However, since November 2023, the Ministry has held seven workshops with sector representatives, including service providers and teachers, to better understand their concerns. Those attending the meetings have indicated that there is still support for the intention of the change, but there are widespread challenges in having a fully certificated person responsible on duty at all times. Some of these challenges may be beyond the control of the service provider (e.g., staff absences due to illness). Many of the challenges have a greater impact on smaller services, particularly those in more isolated communities, and Māori and Pacific language services.

Expected outcome of the status quo

14. Under the status quo, the requirement that person(s) responsible hold a Full (Category One or Two) Practising Certificate will come into effect on 26 August 2024. ECAC and ECC have said that a number of service providers will find it challenging to meet the requirements. This is due to the additional cost of employing teachers with Full (Category One or Two) Practising Certificates⁹ and a limited supply of teachers with these practising certificates. ECAC and ECC believe this may result in service providers passing on additional costs to parents by increasing childcare fees. They have also expressed concern that some service providers may reduce enrolments (i.e., to meet the 1:50 ratio requirement), reduce operating hours, or be forced to close due to an inability to comply with the requirements. There is a risk this would make ECE less accessible for some parents and exacerbate concerns about affordability due to reduced supply. This could impact the ability of parents to participate in the labour market.

⁸ 80 percent of submitters supported the proposal that person responsible hold a Full (Category One or Two) Practising certificate. 94% reported that their service would (72%) or maybe (22%) able to comply with the requirements. However, Māori and Pacific language services, and services in low socio-economic areas noted they would face particular challenges meeting the requirements.

⁹ The costs for services that are employing more highly qualified teachers and are also part of the Government's pay parity opt-in scheme may be higher.

15. Small services, services in low socio-economic and/or isolated communities, and Māori and Pacific language services are likely to be disproportionately impacted by the requirements. This is due to the additional challenges these services experience attracting and retaining qualified teachers (e.g., Māori and Pacific languages services require teachers to also have appropriate language and cultural skills) (see Table 1). The closure of services in these communities would directly impact on the achievement of the Government’s priority of providing opportunity for all in education.
16. In the longer term, the status quo may lead to an increase in the supply of teachers with a full practising certificate, although this would depend on the extent of any service closures and the impact this has on the demand for teachers. The status quo may also help to strengthen overall levels of workforce capability and lift health, safety, and educational outcomes for children. However, as noted in Table 3 below, we do not have evidence to support these outcomes.

What is the policy problem or opportunity?

17. The policy problem is that the current regulatory requirements will impose higher regulatory costs and burdens on service providers that will affect their ability to provide affordable and accessible ECE services to parents and children. The problem has a disproportionate impact on small services, services in low socio-economic and isolated communities, and Māori and Pacific language services, and on the children and parents that use these services.
18. Removing or reducing the regulatory cost and burden for service providers would support the achievement of the Government priorities of improving the quality of regulation and providing opportunity for all in education.
19. Further details of the problem are provided in Table 1 below:

	Problem: Person(s) responsible requirements are imposing high regulatory cost and burden on some service providers
Scope and scale	<p>All licensed ECE services are required to employ or engage 1 person(s) responsible for every 50 children in attendance (i.e., 1:50). As of June 2023, there were approximately 4,483 licensed ECE services, all of which employ or engage at least 1 person(s) responsible depending on their licence size and the number of children in attendance.</p> <p>The Ministry does not hold data on the number of service providers that currently employ or engage enough person(s) responsible to meet the requirements by 26 August 2024. Nor does the Ministry hold data on the number of service providers that would not be able to meet the requirements. However, feedback from consultation undertaken in September – October 2021 indicated that the majority of service providers would be able to meet the requirement. 72 percent of submitters said their service would be able to meet the requirement and 22 percent said their service may be able to meet the requirement. Recent feedback from ECAC, ECC and seven meetings held with sector representatives suggest that this feedback overestimates the number of service providers that would be able to comply.</p>
Stakeholders	Service providers – are required to employ or engage person(s) responsible in accordance with Regulations. They are concerned about the supply of teachers with Full (Category One or Two) Practising Certificates needed to meet the requirements, and the additional costs associated with employing more highly

	<p>qualified teachers. Some types of service providers are likely to be more impacted than others (see below).</p> <p>Person(s) responsible – must meet the requirements of the Regulations in order to retain their role after 26 August 2024. Those that do not have a Full (Category One or Two) Practising Certificate by 26 August 2024 would lose their ability to undertake the person responsible role and possibly their job. Those that have a Full (Category One or Two) Practising Certificate are likely to be in greater demand, which could lead to an increase in salaries or wages.</p> <p>Teaching staff – are supervised by the person(s) responsible who can influence their professional development and overall job satisfaction.</p> <p>Children and parents – person(s) responsible must supervise children and supervise the other teaching staff. This means person(s) responsible can influence the health, safety, wellbeing and education and care outcomes that children experience.</p> <p>Teaching Council – issues practising certificates.</p> <p>Ministry of Education – assesses compliance with the Regulations and responds to non-compliance.</p>
<p>Distribution of impacts</p>	<p>Feedback from consultation undertaken in September – October 2021, and more recent feedback from ECAC, ECC and the seven sector meetings held by the Ministry, indicate that the following types of service providers are likely to be disproportionately impacted by the problem. This is usually due to the wider challenges they face:</p> <ul style="list-style-type: none"> • Small services – may face additional challenges due to low funding base to cover additional costs. • Isolated services – may face additional challenges due to thin labour markets and access to qualified teachers. • Services in low socio-economic communities – may face additional challenges due to inability to pass on additional costs to parents through fee increases. • Māori bilingual and immersion services, including puna reo – may face additional challenges as teachers must also have appropriate language and cultural skills, and these teachers are in short supply. They may also face other challenges outlined above. • Pacific bilingual and immersion services – may face additional challenges as teachers must also have appropriate language and cultural skills, and these teachers are in short supply. They may also face other challenges outlined above.

What objectives are sought in relation to the policy problem?

20. The response to the policy problem should achieve the following objectives:
1. Reduce the regulatory cost and burden for ECE service providers. This includes reducing both the direct and indirect costs of complying with the regulatory requirements.
 2. Providing opportunities for all in education. This includes ensuring that all children and their parents have an opportunity to participate in ECE.

Section 2: Deciding upon an option to address the policy problem

What criteria will be used to compare options to the status quo?

21. The criteria used to compare the options to the status quo are:
 1. Educational outcomes – the changes should not result in worse education and care outcomes for children
 2. Timeliness of response – the intention of the changes is to address the concerns raised by the sector regarding unnecessary regulatory burden as quickly as possible (i.e., they are “quick win” proposals).
 3. Ease of implementation – the benefits achieved by the proposals should not be outweighed by the difficulties associated with their implementation.
 4. Fiscal cost – given the constrained fiscal environment, there should be no additional fiscal costs for the Government associated with implementing the proposal
22. For the purposes of this RIS, all criteria are weighted equally.

What scope will options be considered within?

23. The scope of the options has been limited to those identified by the Early Childhood Advisory Committee (ECAC) and Early Childhood Council (ECC) as “quick win” policy changes to support the sector. The problem definition was also limited by this context.
24. The timeframes for the commissioning of advice and desire to respond quickly to the challenges facing the ECE sector constrained our ability to collect data to support the sector’s claims about the potential impact of the status quo. This includes the type and magnitude of the costs and risks likely to be experienced by different types of service providers. However, even without the time constraints, it is unlikely that the Ministry of Education (the Ministry) would have been able to collect the necessary data.
25. The tight timeframes have meant that no consultation on the proposals outlined in this RIS has been undertaken with stakeholders not represented by ECAC and ECC. This includes parents, teachers, Māori/iwi and potential new entrants to the ECE sector. As such, we do not know how their views might impact on the feasible options. Instead, we have drawn on the feedback provided during public consultation undertaken in September – October 2021 on the original proposals to amend the regulations, and that provided in the more recent workshops referred to in paragraph 13.
26. There are no feasible non-regulatory options available to address the problem as the problem stems directly from the cost and burden of regulatory requirements that are timetabled to be introduced in August 2024.
27. Other options that were not considered further include:
 1. amending the scope of the requirements (e.g., so that they only apply at certain times of the day)
 2. providing an exemption to the requirements (e.g., allowing services to apply for an exemption if they met certain criteria).

28. These options were not considered further as the scope was limited to ECAC and ECC proposals. In addition, it is likely that these options would have added further regulatory cost and burden for service providers, rather than reduce cost and burden.

What options are being considered?

Option One – Status Quo (Current requirements are retained)

29. The requirement that person(s) responsible in licensed ECE services must hold a Full (Category One of Two) Practising Certificate by 26 August 2024 would be retained. Service providers would need to meet this requirement by the specified date or face a compliance response by the Ministry.

Option Two – Amend the Regulations to remove the new requirements which would otherwise come into force by 26 August 2024

30. The Regulations would be amended to remove the requirement that person(s) responsible in licensed ECE services must hold a Full (Category One of Two) Practising Certificate by 26 August 2024. The current requirement that person(s) responsible must hold a practising certificate would be retained (i.e., person(s) responsible must hold any one of four practising certificates issued by the Teaching Council).

Option Three – Amend the Regulations to defer requirements for two years

31. The Regulations would be amended to defer the requirement that person(s) responsible in licensed ECE services must hold a Full (Category One of Two) Practising Certificate by two years, from 26 August 2024 to 26 August 2026. This would give service providers additional time to meet the new requirements. The current requirements as outlined under option one would apply in the interim.

How do the options compare to the status quo/counterfactual?

Key for qualitative judgements:
 ++ much better than the status quo - worse than the status quo
 + better than status quo -- much worse than the status quo
 0 about the same as the status quo

Table 2: Proposal 1: Changes to person responsible requirements

	Option One – Status Quo (retain the requirement)	Option two – Amend the regulations to remove the requirement	Option three – Amend the regulations to defer the requirement for two years
Reduces regulatory burden	0	<p style="text-align: center;">++</p> <p>Mitigates all additional costs for those service providers that do not currently employ or engage enough teachers with a full practising certificate to meet requirements.</p>	<p style="text-align: center;">+</p> <p>Delay may soften the impact of additional costs for service providers that do not currently employ or engage enough teachers with a full practising certificate as the labour market would have time to respond to the increase in demand for these teachers</p>
Provides opportunity for all in education	0	<p style="text-align: center;">++</p> <p>Mitigates risk that Māori and Pacific language services are forced to reduce enrolments, reduce operating hours, or close due to inadequate supply of fully certificated teachers with necessary language skills</p> <p>Mitigates risk that small services, and services in low socio-economic and isolated are forced to reduce enrolments or close due an inability to recruit and employ enough teachers with a full practising certificate</p>	<p style="text-align: center;">+</p> <p>Māori and Pacific language services may still face challenges if additional support is not provided to increase the supply of fully certificated teachers with language skills</p> <p>Small services, and services in low-socio-economic and isolated communities would still face challenges recruiting and employing enough teachers with a full practising certificate and some may be forced to reduce enrolments, reduce operating hours, or close</p>
Educational outcomes	0	<p style="text-align: center;">-</p> <p>Mitigates the risk that some children’s ability to participate in ECE, including hours of attendance, is compromised due to the impact on affordability and accessibility for parents, which then impedes educational outcomes</p>	<p style="text-align: center;">+</p> <p>Reduces the risk (i.e., due to potential softening of burden) that some children’s ability to participate in ECE, including hours of attendance, is compromised due to the impact on affordability and</p>

	Option One – Status Quo (retain the requirement)	Option two – Amend the regulations to remove the requirement	Option three – Amend the regulations to defer the requirement for two years
		All children and teaching staff would not be able to benefit from being supervised by person(s) responsible with more than 2 years' teaching experience in a New Zealand context	accessibility for parents, which then impedes educational outcomes All children and teaching staff would be able to benefit from being supervised by person(s) responsible with more than 2 years' teaching experience in a New Zealand context
Ease of implementation	0	++ Very easy as this is the current state	+ Current person(s) responsible that not meet the requirements would have additional time to comply and face lower risk of losing their job Labour market and employers would have time to respond to the increase in demand for teachers with full practising certificates, easing current supply constraints
Timeliness of response to sector concerns	0	++ The Regulations can be amended before the new requirements come into effect and service providers will not face any additional costs	- The Regulations can be amended before the new requirements come into effect, but service providers would still face additional costs when the requirements came into effect in August 2026, and some may raise the same concerns
Low to no fiscal cost	0	0 There are no additional fiscal costs to the Government	0 There are no additional fiscal costs to the Government
Overall assessment	0	++	+

What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

32. The above analysis indicates that option two would best address the problem that the person(s) responsible requirements are imposing high regulatory cost and burden on some service providers. Option two meets the policy objectives of reducing regulatory burden and providing opportunity for all in education. While option two does not score as highly on educational outcomes as option one, we note that educational outcomes under option two are not expected to fall below the current state (i.e., as they are before the new person(s) responsible requirements are due to come into effect on 26 August 2024).

What are the marginal costs and benefits of the option?

Table 3: Marginal costs and benefits of removing the requirement that person(s) responsible hold a full practising certificate (option two)

Affected groups	Comment	Impact	Evidence Certainty
Additional costs of the preferred option compared to taking no action			
Current person(s) responsible	<p>Impact on salaries</p> <p>An increase in demand for fully certificated teachers may have led to an increase in the salaries and wages that these teachers could attract.</p>	<p>Low</p> <p>We do not consider the gap between supply and demand for fully certificated teachers would be so great as to significantly increase the salaries and wages of person(s) responsible. Furthermore, supply could readily be increased through current persons responsible becoming fully certificated (although this process takes a minimum of two years).</p>	<p>Low</p> <p>We do not have data on the current level of unmet demand for person(s) responsible with a Full (Category One or Two) Practising Certificate.</p>
ECE workforce	<p>Professional learning and development</p> <p>All teaching staff would have been supervised by teachers with at least two years teaching experience in a New Zealand context, which may have benefited their professional learning and development.</p>	<p>Low</p> <p>This benefit would apply to all teaching staff in ECE services that are not currently supervised by person(s) responsible with a Full (Category One or Two) Practising Certificate.</p>	<p>Low</p> <p>There is evidence that being supervised by someone with the appropriate qualifications and experience can lead to improved practice. However, we do not have evidence that being supervised by a person(s) responsible with a Full (Category One or Two) Practising Certificate rather than another practising certificate would lead to better professional learning and development outcomes for the ECE workforce. Also, there is not always a strong link between the level of experience and formal qualifications. For example, some teachers have many years of experience, but for a range of reasons, do not hold a Full (Category One or Two) Practising Certificate.</p>

Children	<p>Improved educational outcomes</p> <p>All teaching staff would have been supervised by teachers with at least two years teaching experience in a New Zealand context, which may have lifted pedagogy and led to improved educational and care outcomes for children. In the longer term, the number of teachers in the workforce with Full (Category One or Two) Practising Certificates would have increased, further enhancing these benefits.</p>	<p>Medium</p> <p>This benefit would apply to all children that are not currently supervised by a person(s) responsible with a full practising certificate, and/or by adults that are currently supervised by a person(s) responsible with a full practising certificate.</p>	<p>Low</p> <p>There is evidence that the qualification and experience levels of teachers can have a positive impact on educational outcomes for children¹⁰. However, we do not have any evidence that being supervised by person(s) responsible with a Full (Category One or Two) Practising Certificate rather than another type of practising certificate would lead to better educational outcomes for children</p>
Teaching Council of Aotearoa New Zealand	<p>Lost revenue from issuing practising certificates</p> <p>Less persons responsible will seek their Category One or Two practising certificates, which will reduce fee and levy revenue for the Teaching Council.</p> <ul style="list-style-type: none"> • A Tūturu Full Practising Certificate (Category One) is issued or renewed for three years • A Pūmau Full Practising Certificate (Category Two) is issued or renewed for three years 	<p>Low</p> <p>The impact on the total annual revenue obtained by the Teaching Council is expected to be relatively low.</p> <ul style="list-style-type: none"> • \$512.37, and then \$464.37 every three years (per person) • \$464.37, and then \$464.37 every three years (per person) 	<p>Medium</p> <p>While we know the fees charged by the Teaching Council, we do not have data on the number of teachers that would no longer be seeking a Full (Category One or Two) Practising Certificate if the requirement to hold one of these certificates was to be removed</p>
Total monetised costs		n/a	n/a
Non-monetised costs		Low	Low
Additional benefits of the preferred option compared to taking no action			
Service providers	<p>Reduced costs to services</p> <p>Service providers would not need to employ or engage additional person(s) responsible with full</p>	<p>Medium</p> <p>The number of services that need to employ or engage additional fully certificated teachers is not</p>	<p>Low</p> <p>We do not have data on the number of service providers that would need to employ or</p>

¹⁰ See, for example “Starting Strong II – Early Childhood Education and Care”; OECD; 2006; and “Quality Improvement Research Project”; Macquarie University; Australian Children’s Education and Care Quality Authority (ACECQA) 2019.

	<p>practising certificates. These teachers are likely to be more expensive. The increased demand for these teachers which are in limited supply may also increase their cost. Māori and Pacific language services face particular challenges recruiting fully certificated teachers due to their specific language and culture needs. Isolated services also face teacher supply challenges as the relevant labour market is often very thin. Service providers would also not need to invest in professional learning and development for current person(s) responsible that do not yet hold a full practising certificate.</p>	<p>expected to be high. However, the increase in demand for fully certificated teachers as a result of the changes may increase the costs for all service providers that employ these teachers due to scarcity of supply.</p>	<p>engage additional teachers with Full (Category One or Two) Practising Certificates. However, sector representatives have told us that the data obtained from the public consultation in September -October 2021 overestimates the number of services that would be able to meet the requirements (i.e., 94 percent of submitters said their service either would (72%) or may (22%) be able to meet the requirements).</p>
	<p>Income and investment</p> <p>Service providers would not need to reduce the number of enrolments in order to meet the requirements, mitigating the risk of lost revenue (i.e., as funding is based on child hours). Those that cannot meet the requirements would also avoid the risk of having to close their service.</p>	<p>Medium</p> <p>While we do not expect the number of service providers that need to employ or engage additional fully certificated teachers to be high, wider challenges facing the sector (e.g., implementing pay parity and falling attendance) could exacerbate lost revenue and service closures.</p>	<p>Low</p> <p>We do not have data on the number of services that would choose to reduce enrolments, reduce operating hours, or close in response to the requirements. However, sector representatives have told us that the data obtained from the public consultation in September - October 2021 overestimated the number of services that would be able to meet the requirements (i.e., 94 percent of submitters said their service either would (72%) or may (22%) be able to meet the requirements). We have also heard from sector representatives that they are facing a number of other costs pressures due to, for example, implementing pay parity and falling attendance numbers.</p>
<p>Current persons responsible</p>	<p>Obtaining Category One or Two Practising certificate</p> <p>Current persons responsible that do not have a Full (Category One or Two) Practising Certificate would not need to obtain one in order to retain the person(s) responsible role. These must be renewed every three years.</p>	<p>Low</p> <ul style="list-style-type: none"> • A Tūturu Full Practising Certificate (Category One) is issued or renewed for three years. The cost is \$512.37, and then \$464.37 every three years (per person) • A Pūmau Full Practising Certificate (Category Two) is issued or renewed for three years. The 	<p>Medium</p> <p>We do not know the number of persons responsible that would need to obtain a Full (Category One or Two) Practising Certificate. However, we do know the cost of these certificates.</p>

		cost is 464.37, and then \$464.37 every three years (per person)	
Parents	Reduced fees Service providers may have passed on the additional costs of employing and engaging teachers with full practising certificates to parents in the form of increased fees.	Medium The number of service providers that would need to employ or engage additional teachers is expected to be relatively low. However, as outlined above, constraints on the supply of teachers with full practising certificates may have increased the costs of these teachers for all services. We expect that many service providers would pass these costs on to parents.	Low We do not have any data on the number of service providers that would need to employ or engage additional teachers with full practising certificates, and if they did, whether the costs would be passed on to parents
	Access to ECE services There is a risk of some services reducing enrolments, reducing operating hours, and/or closing due to an inability to meet the requirement that all person(s) responsible have a full practising certificate. Small services, those in low socio-economic and/or isolated communities, and Māori and Pacific language services are likely to face the greatest risk. This could impact on parents' ability to access ECE and potentially participate in the labour market.	Medium We expect the number of services that would close as a result of the requirements would be low, however some communities are likely to be more impacted than others (e.g., low socio-economic and isolated communities). This would make the impact on parents relatively high as there are unlikely to be alternative ECE services in these communities.	Low We do not have any data on the number of service providers that would choose to reduce enrolments, reduce operating hours, or close in response to the requirements, or the location of any such services.
Total monetised benefits		n/a	n/a
Non-monetised benefits		<i>Medium</i>	<i>Low</i>

33. The above analysis assumes that the impact on the ECE sector of the status quo is greater than indicated by stakeholders in September – October 2021 when public consultation was undertaken. This is based on the concerns that have been raised by ECAC and ECC.
34. The analysis outlined above indicates that the marginal benefits of option two outweigh the marginal costs. While we consider this to be a relatively robust conclusion, we note that our analysis is significantly constrained by a lack of data or evidence to support our assessments.

Section 3: Delivering an option

How will the new arrangements be implemented?

35. The changes to the Regulations are expected to come into effect in mid-June 2024. This means the requirements that person(s) responsible hold a Full (Category One or Two) Practising Certificate will be removed before they come into effect on 26 August 2024. As such, there will be no change to current practice and no new arrangements that need implementing.
36. The Ministry will use its regular communication channels with the sector to make sure the change is clearly understood. This will include communicating directly with ECAC and ECC.

How will the new arrangements be monitored, evaluated, and reviewed?

37. The Ministry does not intend to monitor, evaluate or review the new arrangements, as the proposal involves removing a regulatory requirement that has not yet come into effect. As such, no change is expected.