



Early Childhood
Council



Hon Chris Hipkins
Minister of Education
Executive Wing 6.3
Parliament Buildings
Wellington

21 November 2022

Tēnā koe Minister

Re: Relief teachers in early learning has reached the point of market failure

We welcomed the Government's promised investment in early learning through the recent Childcare Subsidy announcement, even though providers are facing considerable challenges that don't seem to be recognised.

We wholeheartedly support more tamariki benefitting from quality ECE, and urge the government to support providers who offer it by extending schools' relief teacher funding to ECE.

Sadly, the shortage of qualified teachers is at a new crisis point. We'd like to say we expect more tamariki to take up ECE places, but we can't. Right now, many providers simply can't accommodate more children in their centres – 56% of recently surveyed ECC members are already operating a waiting list (14% with a wait time of between 7-12 months and 9% at over 13 months). Wait lists have become an accepted norm in New Zealand, even though parents demand and should expect much better access to quality ECE than that.

And there is no hope in sight. 72% of ECC members surveyed aren't confident they could recruit a teaching vacancy within a month, 87% do not consider overseas teachers a legitimate option, while 70% aren't confident of accessing relief teachers to cover illness or holidays. The lack of relief teachers is most acute outside main centres and in rural areas where they're simply not available, forcing centres to limit hours, reduce the child-places or shut altogether. The teacher shortage problem is reducing access to ECE for families throughout New Zealand. For Montessori centres there is the additional challenge of kaiako being NZ registered and Montessori trained.

With providers unable to recruit qualified ECE teachers, relief teacher charges are blowing out. The only winners are relief teacher agencies, who can charge inflated rates for their services due to huge demand and lack of supply. Here's a snapshot of the situation for providers from the October ECC member survey of 714 centres:

- Less than 10% were under-budget for relief teachers
- 78% were **over-budget** for relief teachers
- 54% were **significantly over-budget** for relief teachers

This is a dire situation across the board, considering the financial year still has more than four months to go. It's only a matter of time before unbudgeted costs, like these for relief teachers, together with the requirement to comply with Pay Parity, start to push up fees for parents. I must also point out that relief teacher budget baselines are funded entirely from other sources, as government funding doesn't recognise relief teacher costs in ECE.

Increasingly, precious qualified ECE teachers are becoming relievers due to better pay, or leaving the profession altogether out of frustration with poor conditions, like centres being forced to operate with poorer child-teacher ratios. The teaching shortage is entrenched, ongoing and it has reached the point of market failure. Spiralling increases to reliever wages will only further attract more teachers to leave permanent teaching roles to become relievers.

To make matters worse, the police vetting service regularly experiences long and hard to plan for delays. Even unqualified teachers who are ready to work cannot be engaged quickly enough due to vetting delays, forcing services to pay hourly rates that are higher than the top paid qualified teachers in many centres (for example over \$36 per hour).

Community-based providers will be undertaking more desperate measures to pay staffing budgets this Christmas, including seeking more donations. These providers face a double-whammy as they're at higher risk from the current pay parity policy, which creates a financial shortfall for many between total certificated teacher salary costs and the government revenue streams. Worryingly, community providers are most likely to need to close.

We request you to ask for advice on what short-term measures could be introduced to help. For example, extending the school initiative of relief teacher funding to fund ECE providers that employ certificated teachers.

Alternatively, more Discretionary Hours could help centres that stand to lose their entitlement to higher funding bands as a result of the shortage.

Practical steps are needed to lessen the financial pressure on centres to increase fees, and give the Childcare Subsidy more of a fighting chance of success. ECC intends to write to you further about the pay parity matter.

If we can assist with this matter in any way, please let us know.

Ngā mihi nui



Simon Laube
Chief Executive
Early Childhood Council



Tony Ryall
Chief Executive
Best Start



Kelly Seaburg
Advocates for Early Learning Excellence



Cathy Wilson
Chief Executive / Pou whakahaere
Montessori Aotearoa New Zealand



Calmar Ulberg
Chief Executive Officer
Counties Manukau Kindergarten Association