



Education Report: Re-establishment of the emergency payment scheme for casual staff in the State and State-integrated schooling sector workforce due to COVID-19 resurgence in August 2021

To:	Hon Grant Robertson, Minister of Finance Hon Chris Hipkins, Minister of Education		
Date:	18 August 2021	Priority:	High
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Messaging seen by Communications team:	No	Round Robin:	No

Purpose of Report

1. This paper seeks your approval to re-establish support for day relief and casual staff, who are paid by timesheet and work in State and State-integrated schools and kura, whose income has been severely affected by the current COVID-19 resurgence.

Summary

2. At 11:59 pm on 17 August 2021 New Zealand moved to COVID-19 Alert Level 4. The Government has indicated that the current restrictions will remain in place for an initial period of three days, except for Auckland and the Coromandel which are expected to remain at Alert Level 4 for seven days.

Support provided in 2020 and 2021

3. During previous periods of COVID-19 resurgence we put in place measures to ensure income continuity for workers in the State and State-integrated schooling sector, including the establishment of an emergency payment scheme for casual schooling workers (those paid using timesheet and hired on an "as needed" basis such as day relief teachers and a range of non-teaching staff). In 2020, the initial emergency payment arrangements during Alert Level 4 supported approximately 14,500 workers.

Support for casual schooling sector workers during the current resurgence

4. We have advised schools and kura that day relief and casual workers who had been booked for work during Alert Level 4 restrictions should be paid for these bookings. However, only a small number of day relievers and casual employees are likely to have been booked for work ahead of time and we now recommend that emergency payments are re-established for the period of the current Alert Level 4 restrictions.
5. State and State-integrated schools and kura are funded to meet the costs of day relievers and are eligible to seek additional funding where they need to employ relievers for longer than eight days. We expect that most schools will not have incurred significant additional costs to pay casual staff for work already booked. However, we may provide additional emergency funding where a State or State-integrated school or kura has incurred a larger than usual cost for relief staff due to the current restrictions.
6. We expect costs for a re-established emergency payment scheme, if this required for the whole of the country, to be approximately \$10.800 million per fortnight based on payments made when during the 2020 Alert Level 4 restrictions. The actual costs will vary significantly depending on the extent of the measures required to control COVID-19 and the number of casual schooling employees who are affected. If you agree, these costs will be met initially through re-prioritisation of funding within the non-departmental primary, secondary and learning support appropriations.
7. Should re-prioritisation of funding not meet the expected demand or should the current restrictions be extended beyond the current Alert Level 4 notification, we seek your agreement to us preparing a paper for Ministers with Power to Act for Cabinet to approve additional funding.

Recommended Actions

The Ministry of Education recommends you:

- A. **Note** that during Alert Level 4 restrictions, day relief and casual employees paid using timesheets and hired on an “as needed” basis in the affected area will be unable to return to work or otherwise have their pattern of work significantly restricted

Noted

Noted

- B. **Agree** that, due to current Alert Level 4 restrictions, the Ministry of Education re-establish the emergency payment scheme for casual State and State-integrated employees, for the period 18 to 24 August, who:

- i. were paid using timesheet and hired on an “as needed” basis in State or State-integrated schools or kura, on at least one occasion up to 90 school days (excluding the term break) prior to the alert level change, and
- ii. have had their income reduced due to Public Health Guidelines operating at Alert Level 4

Agree / Disagree

Agree / Disagree

- C. **Agree** that the costs outlined in recommendation B will be funded from the non-departmental primary, secondary and learning support appropriations

Agree / Disagree

Agree / Disagree

- D. **Note** that the emergency payment referred to in recommendation B will be automatically paid in the 8 September pay-run directly to eligible casual schooling sector employees

Noted

Noted

- E. **Agree** that if Level 4 restrictions are required beyond 24 August we will prepare a paper for Ministers with Power to Act for Cabinet to approve additional funding

Agree / Disagree

Agree / Disagree

- F. **Note** that the estimated cost to provide support is expected to about \$10.800 million per fortnight, although this cost could vary considerably depending on areas which are subject to Alert Level 4 restrictions, the number of schools and kura that continue to pay casual employees, and the length of those restrictions

Noted

Noted

- G. **Agree** that emergency funding may be provided where a State or State-integrated school or kura has incurred significant and unusual costs for relief staff due to Alert Level 4 restrictions

Agree / Disagree

Agree / Disagree

H. **Agree** that this Report be released as part of the Government's proactive release of information relating to the COVID-19 response.

☒ **Agree** / Disagree

☒ **Agree** / Disagree



Hon Grant Robertson
Minister of Finance

19/8/2021



Hon Chris Hipkins
Minister of Education

19/8/2021



Ellen MacGregor-Reid
Deputy Secretary
Early Learning and Student Achievement

18/08/2021

Background

1. As part of our pandemic response, we put in place measures to ensure income continuity for workers in the State and State-integrated schooling sector, including the establishment of an emergency payment scheme for the casual schooling workforce (those paid using timesheet and hired on an “as needed” basis such as day relief teachers and a range of non-teaching staff) during periods of Alert Level 3 and Alert Level 4.
2. These workers are employed only as needed by State and State-integrated schools and kura to meet their operational requirements, for example to provide short-term cover of a permanent teacher’s sick leave or professional development. Many casual workers have advised the Ministry that they rely wholly or in part on this casual work.
3. We previously indicated advice on re-establishing the emergency payment scheme would be provided if Alert Level 3 or higher restrictions lasted longer than a period of five school calendar days [METIS 1252746 refers].
4. At 11:59 pm on 17 August 2021, New Zealand moved to Alert Level 4 of the COVID-19 alert system. It is not yet clear how long measures will be required to control the current resurgence. The Government has indicated that the current restrictions will remain in place for at least three days, except for Auckland and the Coromandel which will remain at Alert Level 4 for seven days.
5. At Alert Level 4 educational sites will be closed for face-to-face learning and learning will continue remotely. A partial or complete loss of income during Alert Level 3 or Alert Level 4 restrictions can be a significant burden for casual employees and a disincentive to comply with the Ministry of Health’s public health guidance for some workers. Offsetting these risks were key policy rationales underpinning the original emergency payment provided, and similar Government initiatives such as the COVID-19 Wage Subsidy and the COVID-19 Leave Support Scheme. Employees of State and State-integrated schools and kura are not entitled to support from these, or previous, wage subsidy schemes.

Re-establishment of the emergency payment scheme

6. We have advised schools that day relief and casual workers who had been booked for work during Alert Level 4 restrictions should be paid for this booking. This reflects that schools largely plan and book day relief and casual workers each day, but sometimes a few days in advance.
7. However, we anticipate that a portion of the casual schooling workforce will be unable to work, or face a reduced ability to work, under Alert Level 4 and propose that the emergency payment scheme is re-established. During the current Alert Level 4 restrictions (ie for the period 18 to 24 August), payments will be paid automatically by Education Payroll Limited using similar criteria as applied when the scheme was previously open, with payment made in the 8 September pay-run. Payments will be made to all casual workers Alert Level 4 who:
 - 7.1. are a current State or State-integrated education sector worker, which is defined as workers who have worked for a State or State-integrated school or kura; and
 - 7.2. have worked variable day relief or casual hours at least once in the preceding 90 school days.

8. The payment will be calculated at each eligible worker's average variable day relief or casual hours undertaken over a specified period of up to 90 school days preceding the alert level change¹. The amount of the payment will be offset by any casual work which is paid to a worker by a State and State-integrated school or kura in the pay period in which the emergency payment is made. For example, if the casual worker can work from home during Alert Level 4, the emergency payment they will receive will be offset by payment for this work. Payments will be taxable, attract applicable superannuation subsidies, and be subject to other payroll deductions. Payment will be made in arrears on 8 September.
9. The payment will be centrally funded and as such, schools will not be charged.
10. If an individual has not worked in a State or State-integrated school or kura in the period of up to 90 school days preceding the alert level change, they will be deemed not to be a current schooling sector employee and will be directed to other Government support systems, such as the income support provided by the Ministry of Social Development.
11. The amount of support provided will be based on the variable day relief or casual hours worked during a specified period of up to 90 days during school terms preceding the alert level change announcement.
12. Our ability to meet ongoing costs of support for casual employees beyond 24 August 2021 is limited. If restrictions to control the current resurgence are required beyond that which have been announced, the re-prioritisation of funds may not meet the expected demand. In these circumstances we seek your agreement to us preparing a paper for Ministers with Power to Act for Cabinet to approve additional funding.

Additional funding for schools and kura that incur significant additional staff expenses

13. We expect that most State and State-integrated schools and kura will not have incurred significant additional costs to pay pre-booked casual staff. In many cases, the school or kura will have been able to task casual staff with duties that support students learning from home. However, in some cases schools and kura may have incurred costs for staff who were booked for school activities which had to be deferred to a later date. This is a consequence of the need to urgently move to restrict the transmission of COVID-19, which typically occurs without a period of notice which schools and kura could have used to adjust their arrangements for activities such as PLD or significant school events.
14. State and State-integrated schools and kura can claim for additional relief teacher funding if relief cover is required for a teacher who is in isolation for a specified period because they:
 - 14.1. Have been diagnosed with COVID-19
 - 14.2. Are required to be in self-isolation
 - 14.3. Are required to care for dependents who are either sick or in self-isolation
 - 14.4. Are over the age of 70 or

¹ The period for calculation may include the current and/or the preceding school term due to the timing of the commencement of term 2, 2021

- 14.5. Are high-risk due to a compromised immune system or an underlying health condition.
15. Emergency funding may also be provided where a school has incurred significant additional costs for relief staff due to Alert Level 4 restrictions in order to ensure that staff booked for work during the restrictions receive payment with no interruption.

Minimising the risk of overfunding and overpayments

16. The proposed support for casual workers will not reduce the cost to State and State-integrated schools and kura of engaging casual staff. As support payments will be made directly by the Ministry of Education to eligible casual workers, operational funding for schools will not be affected. Schools and kura will not have visibility of the amount of these payments or be able to ask staff to work in exchange for these payments. Schools and kura that have an operational need for casual staffing will be required to engage and pay staff as usual.
17. Under Alert Level 4 casual workers will receive a top up emergency payment based on the average amount of casual work that they took during the 90 school - day period preceding the alert level change announcement. The amount of the payment will be abated by the amount of casual work that the worker undertakes for State and State-integrated schools and kura during the Alert Level 4 period payments. In effect, the amount of the emergency payment each casual worker receives will be reduced by the amount of casual work that they are employed for during the Alert Level, avoiding the risk of double payment for this work.

Financial Implications

18. During Alert Level 4 in 2020, two fortnightly payments were made (on 8 April and 22 April). The first, on 8 April, was paid to some 13,000 casual staff, at a cost of around \$8.300 million, and the second on 22 April to some 14,500 staff at a cost of \$10.800 million. We therefore expect the cost of provision of emergency payments to cost approximately \$10.8 million per fortnight, if the current measures to control COVID-19 remain in place. However, these costs will vary considerably if restrictions are extended, or if a number of schools do not engage relief staff during the Alert Level 4 period.
19. These costs will be met through re-prioritisation of funding within the non-departmental primary, secondary and learning support appropriations.

Risks

20. While these measures will significantly reassure many vulnerable schooling workers in the affected region/s, they will not fully mitigate the impact of COVID-19 for these employees and the amount of support provided will vary for each individual. This could create a perception of inequity between those who receive different support depending on their circumstances, or people who receive other COVID-19 assistance payments from Government.
21. Some contingent workers may be also be eligible for other Government assistance depending on their circumstances. For example, they may work at a non-schooling sector part-time job as well as undertaking relief teaching work.

22. The proposed leave scheme provides direct income support to casual State and State-integrated schooling sector employees. This may be considered more beneficial than the support that has been provided to casual employees in other sectors where different funding and employment settings apply, e.g. for Early Learning employees.

Consultation

23. The Treasury has been consulted in the development of this Report.

Next Steps

24. Detailed communications of the emergency payment scheme proposed in this paper and how this can be accessed by eligible schooling workers will be made available via online channels and the school bulletin.
25. These communications will help provide confidence to casual workers, their families and whānau, and the schooling sector during the current the Alert Level 4 period about the supports being put in place to minimise disruption to learning progress and look after the wellbeing of those directly involved in delivering teaching and learning.

Proactive Release

26. We recommend that this paper is proactively released in line with the Government's commitment to the release of such information and advice.