

Cabinet Paper material

Proactive release

Minister & portfolio Hon Chris Hipkins, Minister of Education
Name of package Approval of a Childcare for Workers of Alert Level 4 Businesses or Services Scheme
Date considered 20 August 2021
Date of release

These documents have been proactively released:

Cabinet paper: Approval of a Childcare for Workers of Alert Level 4 Businesses or Services Scheme

Date considered: 20 August 2021

Author: Minister of Education

Cabinet Minute: CAB-21-MIN-0325

Date considered: 20 August 2021

Author: Cabinet office

Education Report: Draft Cabinet paper – Approval of a childcare for workers of Alert Level 4 business or services scheme

19 August 2021

Ministry of Education

Material redacted

Some deletions have been made from the documents in line with withholding grounds under the Official Information Act 1982. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

The applicable withholding grounds under the Act are as follows:

Section 9(2)(a) to protect the privacy of natural persons

Section 9(2)(f)(iv) to protect the confidentiality of advice tendered by Ministers of the Crown and officials

Some deletions have been made from the documents as the information withheld does not fall within scope of the Minister's portfolio responsibilities, and is not relevant to the proactive release of this material.

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<http://legislation.govt.nz/act/public/1982/0156/latest/DLM64785.html>

In Confidence

Office of the Minister of Education

Chair, Cabinet

Approval of a Childcare for Workers of Alert Level 4 businesses or services scheme

Proposal

- 1 This paper seeks Cabinet's approval to an improved Childcare for Workers of Alert Level 4 businesses or services scheme [CAB-20-MIN-0531 refers].

Relation to government priorities

- 2 This paper relates to the Government's response to COVID-19.

Background

- 3 In March 2020, under the previous COVID-19 Alert Level 4, a Childcare for Essential Workers scheme was set up to ensure essential workers with children could work during the lockdown period [CMG-20-MIN-0017 refers]. This is because schools and early childhood education (ECE) services were unable to open. The scheme utilised Out of School Care and Recreation (OSCAR) and home-based ECE providers and required funding of about \$2.6 million.
- 4 The scheme reflected the Government's preference that childcare be made available only where essential workers could not make their own childcare arrangements, and that parents should try and make private arrangements, where possible. Furthermore, a carer would be limited to caring for one family so as to maintain a limited bubble of care.
- 5 On 18 December 2020, in order to be prepared for another escalation to Alert Level 4, Cabinet agreed that a new Childcare for Essential workers scheme be introduced, subject to approval by Cabinet at the time of an escalation to Alert Level 4 [CAB-20-MIN-0531 refers]. Cabinet agreed that the Ministers of Education and Finance should:
 - 5.1 confirm the hourly rate to be paid to providers and the estimated four-week costs; and
 - 5.2 confirm the mechanism and source of funding to providers.
- 6 Cabinet also agreed that future payments of the Childcare for Essential Workers support could be met through reprioritisation of funding previously appropriated to Vote Education 9(2)(f)(iv)

- 7 Cabinet also directed Ministry of Education officials to report back to the Minister of Education and the Minister of Finance by the end of March 2021 on the appropriate hourly subsidy rate, the cost of the scheme over a four-week period, and the funding source. It also gave authorisation to joint ministers to agree the appropriate hourly rate and funding option for future payments.
- 8 Since the previous Childcare for Essential Workers scheme in 2020, there have been changes to the regulatory framework to support Government's response to COVID-19. The proposed scheme in this paper has, therefore, been aligned with the new regulatory approach, particularly with respect to definitions of businesses or services that may be open at Alert Level 4 and the movement of people.

Joint ministers' decisions on an improved scheme

- 9 In March 2021, the Minister of Finance and I determined parameters for the improved Childcare for Essential Workers scheme as per Cabinet's direction. Some of the proposals in this paper reflect the decisions reached by us. One subsequent change is to refer to the scheme as the "Childcare for Workers of Alert Level 4 business or services scheme" (the scheme) in light of more recent regulatory requirements and nomenclature around alert levels.
- 10 I propose that the scheme retains key features of the original Childcare for Essential Workers scheme, as follows.
 - 10.1 Funding will only be available to workers in Alert Level 4 businesses and services, where the children in the workers' care are aged between 0 and 13 years old, and:
 - 10.1.1 there is no other adult in the workers' household who can care for the child; and
 - 10.1.2 the carer does not normally live at the same address as the worker.
 - 10.2 Each carer providing childcare will continue to be limited to caring for children from one family only.
 - 10.3 Providers must not charge workers in an Alert Level 4 business or service any fees for childcare services provided through the scheme.
- 11 I also recommend making the following changes to the original scheme.
 - 11.1 An increased funding rate of \$35 per hour GST exclusive and before other taxes, of which \$25 is for the carer and \$10 is for the corresponding provider. The latter amount is for the costs of checking in with providers and families, undertaking financial and administrative tasks and regular reporting.

- 11.2 Removal of the following restrictions on workers in Alert Level 4 businesses or services' eligibility for the scheme:
- 11.2.1 only funding childcare for those workers unable to make their own private arrangements¹; and
 - 11.2.2 not funding childcare arrangements where the child already receives funding through ECE operational funding.
- 11.3 Including funding from the scheme as income when assessing providers' eligibility for the Wage Subsidy.
- 12 It is also important that the regulatory arrangements from the Government's public health response to COVID-19 are sufficiently flexible to allow the childcare to be useful while also considering the public health implications of carer and worker movements. There are two relevant scenarios.
- 12.1 Allowing childcare to take place in the child's own home. This is now permitted through clause 16 of the COVID-19 Public Health Response (Alert Level Requirements) Order (No 9) 2021. This enables essential personal movement under Alert Level 4 to persons providing childcare to the children of workers of Alert Level 4 businesses or services in those workers' homes.
 - 12.2 Allowing a carer to provide care in their own home or place of residence. Officials from the Ministries of Health and Education are working together to resolve this element.
- 13 I would also note that, unlike the original scheme, provision will be met through licensed home-based education and care services only. The Ministry of Social Development's OSCAR childcare was provided to children aged five to thirteen but had low take-up rates and limited resourcing from providers. The Ministry of Social Development considers that the proposed scheme will be sufficient to address the childcare needs of workers in Alert Level 4 businesses or services and do not consider a separate funding scheme in home OSCAR childcare is required.

Implementation

- 14 The Ministry of Education has contacted 28 licensed home-based providers to seek their availability and capability to support the scheme. At time of lodging, 26 providers have advised they would be likely to provide their services. The Ministry is preparing to contract with these providers. Following Cabinet's approval to an improved scheme, contracts will be confirmed with providers in time for the service to start on Monday 23 August.
- 15 Approved licensed homebased provider contact details will be published on the Ministry's website and via the Early Learning Bulletin produced by the

¹ The original scheme expectation was that the scheme would be for workers who cannot make their own arrangements. However, it is not practical for the provider or Ministry to monitor whether the worker has attempted to make these arrangements.

Ministry. Essential workers may contact approved providers directly. The Ministry will support parents through a contact centre approach should parents be unable to find a provider themselves. Regional ECE Education advisers will also utilise their local knowledge to identify provision.

- 16 We understand that the Ministry will monitor capacity in light of demand and availability throughout the lockdown.

Financial Implications

- 17 As noted earlier, in December Cabinet agreed that this be funded through reprioritisation of funding previously appropriated to Vote Education

[CAB-20-MIN-0219.09].

- 18 As part of the March decisions, the Ministers of Finance and Education agreed to a fiscally neutral adjustment of \$15 million between appropriations to enable operation of the Childcare for Essential Workers Scheme in the 2020/21 year. I intend seeking agreement for this funding to be transferred from the 2020/21 to 2021/22 financial year at the October Baseline Update. Until then, there is sufficient funding within the Early Learning appropriation to provide for the cost of the scheme.

Legislative Implications

- 19 There is a likely need raised by this paper to either amend the COVID-19 Public Health Response (Alert Level Requirements) Order (No 9) 2021 or obtain an exemption from the Director-General of Health in relation to carers working in family homes.
- 20 The Secretary for Education is also confirming the specific content of a direction under Schedule 25 (Directions Relating to COVID-19) of the Education and Training Act 2020, which clarifies the requirements and scope for licensed home-based education and care service providers to offer this service. This remains a necessary component of the mechanisms to put the arrangement in place in order to be clear about potential boundary issues with the early learning regulatory framework. For example, the alert level 4 caregiving service is intended to provide care and supervision of children, rather than education of children.

Population Implications

- 21 There are no direct population implications. The scheme is intended to benefit all New Zealanders through supporting provision of essential services.

Human Rights

- 22 There are no direct human rights implications.

Consultation

- 23 The Ministry of Social Development, the Ministry of Health and the Treasury have been consulted on this paper. The Department of the Prime Minister and Cabinet has been informed.

Communications

- 24 Approved licensed home-based provider contact details will be published on the Ministry's website and via the Early Learning Bulletin produced by the Ministry.
- 25 The Scheme will also be publicly communicated via the Government's COVID-19 website.

Proactive Release

- 26 The paper will be proactively released within 30 business days of decisions being confirmed by Cabinet, unless there is a good reason not to publish all or part of the material.

Recommendations

The Ministers of Finance and Education recommend that Cabinet:

- 1 note that Cabinet agreed an improved Childcare for Essential Workers scheme be introduced, subject to approval by Cabinet at the time of an escalation to Alert Level 4 [CAB-20-MIN-0365 refers];
- 2 note that Cabinet also:
 - 2.1 directed Ministry of Education officials to report back to the Minister of Education and the Minister of Finance by the end of March 2021 on the appropriate hourly subsidy rate, the cost of the scheme over a four-week period, and the funding source; and
 - 2.2 authorised the Minister of Education and the Minister of Finance jointly to agree the appropriate hourly rate and funding option for future payments of the Childcare for Essential Workers support, to avoid delays in the event of an escalation to Alert Level 4 when Cabinet approval would be sought;
- 3 agree to retain key features of the original scheme as below, which reflect amended regulatory requirements and language relating to alert levels, including the re-naming of the scheme as the Childcare for Workers of Alert Level 4 business or services scheme:
 - 3.1 funding will only be available to workers in Alert Level 4 businesses and services, where the children in the workers' care are aged between 0 and 13 years old, and:

- 3.1.1 there is no other adult in the workers' household who can care for the child; and
- 3.1.2 the carer does not normally live at the same address as the worker
- 3.2 each carer providing childcare will be limited to caring for children from one family only.
- 3.3 providers must not charge workers in an Alert Level 4 business or service any fees for childcare services provided through the scheme.
- 4 agree that an improved scheme reflect the following changes to the original scheme agreed by Cabinet [CMG-20-MIN-0017 refers];
- 4.1 increased funding rate of \$35 per hour, of which \$25 is for the carer and \$10 is for the corresponding provider;
- 4.2 funding childcare for workers in an Alert Level 4 business or service regardless of whether they can make their own private childcare arrangements;
- 4.3 funding childcare arrangements through the scheme, even where these are already funded by Early Childhood Education operational funding;
- 4.4 including funding from the scheme as income when assessing providers' eligibility for the COVID-19 Wage Subsidy Scheme; and
- 5 note that childcare can take place in the family's home as a result of the COVID-19 Public Health Response (Alert Level Requirements) Order (No 9) 2021;
- 6 note that officials from the Ministries of Health and Education are working together to resolve how childcare will be provided in a carer's own home or place of residence;
- 7 note that the scheme will go-live on Monday, 23 August pending Cabinet's agreement;
- 8 note that the Secretary for Education will issue a direction under Schedule 25 (Directions Relating to COVID-19) of the Education and Training Act 2020 clarifying the requirements and scope for ECE providers to offer their services for the scheme;
- 9 note that joint Ministers have previously approved a fiscally neutral transfer of \$15 million between appropriations to enable operation of the Childcare for Workers of Alert Level 4 business or services scheme in 2020/21;
- 10 note that an expense transfer between 2020/21 and 2021/22 financial years will be sought at the October Baseline Update, with there being sufficient funding to cover the scheme's cost in the interim;

- 11 note that the Scheme will be publicised through both the Ministry of Education's website and the Government's COVID-19 website.

Authorised for lodgement

Hon Chris Hipkins

Minister of Education

Proactively Released



Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Approval of a Childcare for Workers of Alert Level 4 Businesses or Services Scheme

Portfolio **Education**

On 20 August 2021, Cabinet:

- 1 **noted** that on 14 December 2020, Cabinet:
 - 1.1 agreed that an improved Childcare for Essential Workers Scheme be introduced, subject to approval by Cabinet at the time of an escalation to Alert Level 4;
 - 1.2 directed Ministry of Education officials to report back to the Minister of Finance and the Minister of Education by the end of March 2021 on the appropriate hourly subsidy rate, the cost of the scheme over a four-week period, and the funding source;
 - 1.3 authorised the Minister of Finance and the Minister of Education jointly to agree the appropriate hourly rate and funding option for future payments of the scheme, to avoid delays in the event of an escalation to Alert Level 4 when Cabinet approval would be sought;

[CAB-20-MIN-0365]
- 2 **agreed** to retain the key features of the original scheme as below, which reflect amended regulatory requirements and language relating to alert levels, including the re-naming of the scheme as the Childcare for Workers of Alert Level 4 Businesses or Services Scheme (the Scheme):
 - 2.1 funding will only be available to workers in Alert Level 4 businesses and services, where the children in the workers' care are aged between 0 and 13 years old, and:
 - 2.1.1 there is no other adult in the worker's household who can care for the child;
 - 2.1.2 the carer does not normally live at the same address as the worker;
 - 2.2 each carer providing childcare will be limited to caring for children from one family only;
 - 2.3 providers must not charge workers in an Alert Level 4 business or service any fees for childcare services provided through the Scheme;

- 3 **agreed** that the improved Scheme reflect the following changes to the original scheme agreed by Ministers on 25 March 2020 [CMG-20-MIN-0017]:
- 3.1 increased funding rate of \$35 per hour, of which \$25 is for the carer and \$10 is for the corresponding provider;
 - 3.2 funding childcare for workers in an Alert Level 4 business or service regardless of whether they can make their own private childcare arrangements;
 - 3.3 funding childcare arrangements through the Scheme, even where these are already funded by Early Childhood Education operational funding;
 - 3.4 including funding from the Scheme as income when assessing providers' eligibility for the COVID-19 Wage Subsidy Scheme;
- 4 **noted** that childcare can take place in the family's home as a result of the COVID-19 Public Health Response (Alert Level Requirements) Order (No 9) 2021;
- 5 **noted** that officials from the Ministries of Health and Education are working together to resolve how childcare will be provided in a carer's own home or place of residence;
- 6 **noted** that the Scheme will go-live on Monday, 23 August 2021, pending Cabinet's agreement;
- 7 **noted** that the Secretary for Education will issue a direction under Schedule 25 (Directions Relating to COVID-19) of the Education and Training Act 2020 clarifying the requirements and scope for ECE providers to offer their services for the Scheme;
- 8 **noted** that joint Ministers have previously approved a fiscally neutral transfer of \$15 million between appropriations to enable the operation of the Scheme in 2020/21;
- 9 **noted** that an expense transfer between 2020/21 and 2021/22 financial years will be sought at the October Baseline Update, with there being sufficient funding to cover the Scheme's cost in the interim;
- 10 **noted** that the Scheme will be publicised through both the Ministry of Education's website and the government's COVID-19 website.

Michael Webster
Secretary of the Cabinet



Education Report: Draft Cabinet paper – Approval of a childcare for workers of Alert Level 4 business or services scheme

To:	Hon Chris Hipkins, Minister of Education		
Date:	19 August 2021	Priority:	High
Security Level:	In Confidence	METIS No:	1269516
Drafter:	Graham Bussell	DDI:	463 2835
Key Contact:	John Brooker	DDI:	9(2)(a)
Messaging seen by Communications team:	No	Round Robin:	No

Purpose of Report

This report provides an attached Cabinet paper, *Approval of a childcare for workers of Alert Level 4 business or services scheme*, to lodge for Cabinet consideration on Friday 20 August 2021. The paper seeks Cabinet's agreement to an improved childcare scheme for workers in Alert Level 4 businesses and services.

Recommended Actions

The Ministry of Education recommends you:

- note** the attached draft Cabinet paper, which reflects previous decisions made by you and the Minister of Finance in March 2021 [Metis 1250401 refers] and more recent decisions on a childcare scheme for workers of Alert Level 4 businesses or services;
- note** that the paper is to be considered directly by Cabinet ministers with power to act on 20 August 2021;
- note** that the paper has now undergone agency consultation;

- d. **proactively release** this briefing and the final Cabinet paper once associated Cabinet decisions and any announcements have been made, with any redactions in line with the provisions of the Official Information Act 1982.

Release / Not release



John Brooker
Group Manager
Education System Policy

19 /08 / 2022

Hon Chris Hipkins
Minister of Education

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Proactively Released

Background

- 1 This paper provides you with a draft Cabinet paper seeking Cabinet's agreement to an improved Childcare for Essential Workers scheme. The paper has been consulted on with relevant agencies. The paper follows Cabinet's direction for such a scheme to be introduced, subject to approval by Cabinet at the time of an escalation to Alert Level 4 [CAB-20-MIN-0365 refers]. Cabinet also authorised the Minister of Education and the Minister of Finance jointly to agree the appropriate hourly rate and funding option for future payments of a childcare scheme.
- 2 The paper reflects Joint Ministers' agreements around those funding parameters for an improved scheme [Metis 1250401 refers] in addition to more recent amendments to the original scheme, particularly as a result of the current Alert Level legislative framework.
- 3 The proposed scheme would retain the following components of the original scheme.
 - Funding will only be available to workers in Alert Level 4 businesses and services, where the children in the workers' care are aged between 0 and 13 years old, and:
 - there is no other adult in the workers' household who can care for the child; and
 - the carer does not normally live at the same address as the worker.
 - Each educator providing childcare will continue to be limited to caring for children from one family only.
 - Providers must not charge workers in an Alert Level 4 business or service any fees for childcare services provided through the scheme.

Proposed changes to the scheme

- 4 The paper also proposes the following changes to the original scheme.
 - An increased funding rate of \$35 per hour, of which \$25 is for the carer and \$10 is for the corresponding provider
 - Removal of the following restrictions on workers in Alert Level 4 businesses or services' eligibility for the scheme:
 - only funding childcare for those workers unable to make their own private arrangements; and
 - not funding childcare arrangements where the child already receives funding through ECE operational funding.
 - Including funding from the scheme as income when assessing providers' eligibility for the Wage Subsidy.
- 5 The new COVID regulatory framework means other parameters of the scheme have to be adjusted to better align with this. The name of the scheme and associated terminology now reference the COVID-19 Public Health Response (Alert Level Requirements) Order (No 9) 2021.

- 6 Currently, the Order only allows for childcare provision in the home of the parent/caregiver. We have ascertained that this is likely to impact on usability of the scheme as parents will, in some cases, be reliant on dropping their child or children at a carer's home.
- 7 Officials are exploring options to make this possible within public health constraints – potentially through an exemption to the Order from the Director-General of Health. This is noted in the paper.
- 8 We also advise that the Secretary will confirm a direction made under Schedule 25 (Directions Relating to COVID-19) of the Education and Training Act 2020. This is to clarify the requirements and scope for ECE providers to offer their services to the scheme. This is to remove potential boundary issues with the early learning regulatory framework in the Act. The order is being worked on and will be in place in time for the commencement of the scheme.
- 9 We also note that the scheme will be reliant on carers working for Home-based ECE services only. The Ministry has sought advice from the Ministry of Social Development on this. Its advice is that MOE's proposed scheme will be sufficient to address the childcare needs of essential workers and that most OSCAR providers would be excluded from participating in the scheme because they are not registered childcare workers.
- 10 The Scheme will go live on Monday 23 August following Cabinet approval.

Proactive Release

- 11 We recommend this this briefing and the final Cabinet paper once associated Cabinet decisions and any announcements relating to the pay parity funding conditions have been made, with any redactions made in line with the provisions of the Official Information Act 1982.

Proactively Released