

## In Confidence

Office of the Minister of Education

COVID-19 Ministerial Group

## Continuing support for the casual schooling workforce due to COVID-19 resurgence: Approval for funding

### Proposal

- 1 This Paper seeks agreement for funding to enable the Ministry of Education to continue support for day relief and casual workers who are paid by timesheet, work in State and State-integrated schools and kura, and whose income has been severely affected by the current COVID-19 resurgence.

### Relation to government priorities

- 2 This proposal aligns with the Government's key priorities; to drive our economic recovery from Covid-19, and to continue our health response to keep New Zealanders safe from the virus.

### Background

- 3 As part of the Government's COVID-19 response, the Ministry of Education previously put in place measures to ensure income continuity for workers in State and State-integrated schools and kura, including establishing an emergency payment scheme for the casual schooling workforce during periods of Alert Level 2, Alert Level 3, and Alert Level 4 [CAB-20-MIN-0198 refers].
- 4 Casual schooling workers are those paid using timesheet and hired on an "as-needed" basis, including day relief teachers and a range of non-teaching staff. Many casual workers have advised the Ministry that they rely solely or in-part on income from this casual work.
- 5 At 11.59 pm on 17 August 2021, New Zealand moved into nationwide Alert Level 4 restrictions due to an outbreak of COVID-19.
- 6 At Alert Level 4 education sites are closed for face-to-face learning with education continuing remotely and the demand for casual staff is likely to be very low.
- 7 The employment of casual workers is expected to continue to be low when restrictions have eased to Alert Level 3. At Alert Level 3, the majority of students will continue to learn remotely, and it is anticipated, based on previous experience, that many schools will accommodate this from within their permanent or fixed-term staffing complements.

- 8 A partial or complete loss of income during alert level restrictions can be a significant burden for casual workers and can be 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<sup>1</sup>.

**Re-establishment of the emergency payment scheme**

- 9 With my and the Minister of Finance's agreement, the Ministry of Education has re-established the emergency payment scheme for the initial period of Alert Level 4 restrictions (from 18 to 24 August) using available funding in Vote Education.
- 10 Payments will be paid automatically by Education Payroll Limited using similar criteria as applied previously. Payments will be made to all casual workers who are a current State or State-integrated education sector worker, which is defined as workers who, at least once in the preceding 90 school days<sup>2</sup>:
- 10.1 have worked for a State or State-integrated school or kura
- and
- 10.2 have worked variable day relief or casual hours.
- 11 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 change. Payments will be made on 8 September in arrears and will be taxable, attract applicable superannuation subsidies, and be subject to other payroll deductions.
- 12 The payment will be centrally funded and as such schools will not be charged.
- 13 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.
- 14 Approximately \$10.800 million has been re-prioritised from non-departmental appropriations for primary, secondary, and learning support to enable the Ministry to make these payments.

<sup>1</sup> Employees of State and State-integrated schools and kura are not entitled to support from the COVID-19 Wage Subsidy and the COVID-19 Leave Support Scheme, or previous, wage subsidy schemes

<sup>2</sup> The period for calculation will include the current and/or preceding school term due to the commencement of term 3, 2021.

*Continuation of support as further measures are required to control the transmission of COVID-19*

- 15 As further measures are required to control COVID-19, I propose that this scheme continues beyond the initial period of 18 to 24 August for the period that such regions that day relief and casual workers work in are at Alert Level 4, and where region or regions move into Alert Level 3. This is in keeping with the Government's objectives and will avoid requiring casual schooling workers to rely on other forms of Government support.
- 16 At Alert Level 3, payments will made in the same manner as those at Alert Level 4 and will be calculated at each worker's average hours of casual work undertaken in the ninety school days preceding the alert level change [para's 9-12 refer].
- 17 It is expected that as regions move down through the alert levels and restrictions ease, relievers and non-teaching staff who normally work across multiple schools and kura, will be able to return to their usual patterns of work. As regions move to Alert Level 2 or Alert Level 1, the Ministry of Education will cease providing emergency payments to workers in those regions.

*Support during Alert Level 2*

- 18 I further propose that, at Alert Level 2, support is provided on application for casual workers in State and State-integrated schools and kura whose ability to gain employment has been directly affected by COVID-19. The criteria for this support will be consistent with support that has been previously provided when Alert Level 2 restrictions have been in place. The support would be accessed on direct application, where an individual declares that they meet certain criteria including:
- 18.1 They are a current education sector worker, which is defined as workers who have worked on at least one occasion during the preceding 90 days for a State and State integrated school or kura; and
- 18.2 They have been negatively affected by COVID-19 as:
- 18.2.1 They are sick with COVID-19, or are caring for a dependant who is sick with COVID-19; or
- 18.2.2 They are self-isolating, or are caring for a dependent who is self-isolating due to:
- 18.2.2.1 Coming into close contact with someone who has COVID-19
- 18.2.2.2 Being subject to an order made under Section 70 of the Health Act 1956; or
- 18.2.3 They, or a member of their household, are at high-risk to COVID-19, as defined by public health advice.

- 19 At Alert Level 2, workers who meet the criteria will need to declare at the point of application that they are not concurrently receiving other government support to mitigate the effects of COVID-19, e.g. other wage subsidy schemes. Payments will be made retrospectively.

*Operational considerations*

- 20 The Ministry of Education, after consulting with Education Payroll Limited, recommends providing emergency payments for whole pay periods only, rather than part periods, to reduce complexity and risk of calculation error. In other words, where restrictions are in place for less than a fortnight, the payments will be made for the whole pay period (ie a whole fortnight) even if Alert Level 3 or Alert Level 4 restrictions were in place for less than 14 days.
- 21 To mitigate the risk of overpayments, the amount of the payment made to each casual worker will be offset by any casual work that is paid to a worker by a State or 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 or engage in casual work for a portion of a pay period, the emergency payment they will receive will be offset by payment they receive from a State or State-integrated school or kura for this work.
- 22 It is estimated that the fortnightly cost of providing emergency payments for all casual schooling workers to be between \$8.900 million and \$10.800 million per fortnight. If continued emergency payments were provided for the Auckland and Coromandel regions only, it is estimated this would cost between \$3.100 million and \$3.800 million for each fortnightly pay period. Similarly, providing emergency payments to the whole of the North Island would cost between \$6.900 million and \$8.400 million per fortnight.
- 23 At Alert Level 2, costs have to date been very low with few casual workers requiring support. Future costs are not expected to exceed \$0.250 million for this support.

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

- 24 It is expected that most State and State-integrated schools 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.
- 25 State and State-integrated schools and kura can claim for additional relief teacher funding where relief cover is required under certain circumstances for example for a teacher who is in isolation for a specified period because they have been diagnosed with COVID-19 or are required to care for dependents who are sick.

- 26 Emergency funding may also be provided where a school has incurred significant additional costs for relief staff due to Alert Level 4 restrictions to ensure that staff booked for work during the restrictions receive payment with no interruption.

### Financial Implications

- 27 I am seeking your agreement to the provision of sufficient additional funding to:
- 27.1 Extend the emergency payment scheme for such time that Alert Level 4 restrictions are in place
  - 27.2 Provide emergency payments during Alert Level 3
  - 27.3 Provide support on application for casual workers who are directly affected by COVID-19 during Alert Level 2.
- 28 It is not yet possible to estimate the length of time that support will be required and, in order to ensure the Ministry can continue to provide this support, your agreement is sought to:
- 28.1 Immediately provide \$10.800 million to allow the Ministry to make emergency payments to casual schooling workers for the period 25 August to 7 September
  - 28.2 9(2)(f)(iv) [REDACTED]
  - 28.3 Authorise the Minister of Finance and the Minister of Education to jointly approve draw down of the said contingency funding (establishing any new appropriations as necessary).

### Legislative Implications

- 29 There are no legislative implications associated with the proposals in this paper.

### Population Implications

- 30 The proposals in this paper will support those workers who are particularly vulnerable to the impact of COVID-19 and the measures put in place to prevent its spread due to undertaking casual and variable employment in schools.

### Consultation

- 31 The Treasury and the Public Service Commission have been consulted during the development of this paper.

## Communications

- 32 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. Payments will be made automatically by Education Payroll Limited and workers will not need to apply for these payments at Alert Level 3 or Alert Level 4.
- 33 These communications will help provide confidence to casual workers, their families and whānau, and the schooling sector 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

- 34 I expect this paper will be proactively released as part of Government communications regarding the support provided to the education sector in response to COVID-19.

## Recommendations

The Minister for Education recommends that Ministers authorised by Cabinet:

- 1 **note** that on 4 May 2020, Cabinet [CAB-20-MIN-0198 refers]:
  - 1.1 noted that on 7 April 2020, the COVID-19 Ministerial Group noted that an emergency ex-gratia payment would be paid by the Ministry of Education to all contingent workers who had worked on at least one occasion during term one in 2020 at State or State-integrated school or kura
  - 1.2 agreed that support be continued when the country moved to Alert Level 3 at that time
  - 1.3 authorised the Minister of Finance, the Minister of Education and the Associate Minister of Education to jointly approve further increases to appropriations for casual schooling workers at Alert Level 2
- 2 **note** that, due to the current Alert Level 4 restrictions, emergency payments have been reinstated for the period 18 to 24 August 2021 for casual schooling workers who:
  - 2.1 were paid by time-sheet 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
  - 2.2 have had their income reduced due to Public Health Guidelines operating at Alert Level 4
- 3 **note** that the costs outlined in recommendation 3 will be funded from non-departmental primary, secondary, and learning support appropriations

- 4 **note** that given the uncertainty around COVID-19 it is difficult to predict how long some form of support may be required, however it likely to be required while alert level restrictions remain in place
- 5 **note** that the estimated cost to provide support is expected to be up to around \$10.800 million per fortnight, although this cost could vary considerably depending on the regions which are subject to Alert Level 3 or Alert Level 4 restrictions, the length of those restrictions, and the number of schools and kura that continue to pay casual workers at these Alert Levels
- 6 **agree** to the provision of further emergency support for casual schooling workers, the extent of which will be heavily influenced by the period over which COVID-19 Alert Level 2, Alert Level 3, or Alert Level 4 restrictions remain in-place

*Financial recommendations – immediate funding*

- 7 **approve** the following changes to appropriations to fund income support for a further two weeks, up to 7 September 2021, for casual schooling workers who are unable to work or are restricted in their ability to work due to COVID-19 or Public Health Guidelines operating at Alert Level 2 or higher, with a corresponding impact on the operating balance and net core Crown debt:

	\$m - increase/(decrease)				
Vote Education Minister of Education	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
<b>Multi-Category Expenses and Capital Expenditure:</b>					
<b>Outcomes for Target Student Groups MCA</b>					
<i>Non-Departmental Output Expense:</i>					
Learning Support	0.595	-	-		-
<b>Primary and Secondary Education MCA</b>					
<i>Departmental Output Expense:</i>					
Support and Resources for Education Providers (funded by Revenue Crown)	0.168	-	-	-	-
<i>Non-Departmental Output Expenses:</i>					
Primary Education	6.018	-	-	-	-
Secondary Education	4.019	-	-	-	-
<b>Total Operating</b>	<b>10.800</b>	-	-	-	-

- 8 **agree** that the proposed change to appropriations for 2021/22 above be included in the 2021/22 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply

- 9 **agree** that the expenses and capital expenditure incurred under recommendation 7 above be charged against the COVID-19 Response and Recovery Fund established as part of Budget 2020

*Financial recommendations – establishing a contingency*

9(2)(f)(iv)

- 11 **authorise** the Minister of Finance and the Minister of Education jointly to approve the draw down of the Emergency Support for Casual Workers in State and State-integrated Schools and Kura contingency
- 12 **agree** that the expenses incurred under recommendation 10 be charged against the COVID-19 Response and Recovery Fund.

Authorised for lodgement

Hon Chris Hipkins

Minister for Education





# COVID-19 Ministerial Group

## 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.*

### Continuing Support for the Casual Schooling Workforce due to COVID-19 Resurgence: Approval for Funding

**Portfolio**                      **Education**

On 17 August 2021, following advice that a community case of COVID-19 had been identified in Auckland, Cabinet authorised a group of Ministers comprising the Prime Minister, Deputy Prime Minister, Minister for COVID-19 Response and Associate Minister of Health (Hon Dr Ayesha Verrall) to have Power to Act to take decisions on Alert Level 4 timings and settings [CAB-21-MIN-0324].

Following discussions on 24 August 2021 with officials and Ministers, the group of Ministers with Power to Act:

- 1        **noted** that on 4 May 2020, Cabinet:
  - 1.1        noted that on 7 April 2020, the COVID-19 Ministerial Group noted that an emergency ex-gratia payment would be paid by the Ministry of Education to all contingent workers who had worked on at least one occasion during term one in 2020 at State or State-integrated school or kura;
  - 1.2        agreed that support be continued when the country moved to Alert Level 3 at that time;
  - 1.3        authorised the Minister of Finance, the Minister of Education and the Associate Minister of Education to jointly approve further increases to appropriations for casual schooling workers at Alert Level 2;[CAB-20-MIN-0198]
- 2        **noted** that, due to the current Alert Level 4 restrictions, emergency payments have been reinstated for the period 18 to 24 August 2021 for casual schooling workers who:
  - 2.1        were paid by time-sheet 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
  - 2.2        have had their income reduced due to Public Health Guidelines operating at Alert Level 4;
- 3        **noted** that the costs outlined in paragraph 3 above will be funded from non-departmental primary, secondary, and learning support appropriations;

- 4 **noted** that given the uncertainty around COVID-19, it is difficult to predict how long some form of support may be required, but that it is likely to be required while Alert Level restrictions remain in place;
- 5 **noted** that the estimated cost to provide support is expected to be up to around \$10.800 million per fortnight, although this cost could vary considerably depending on the regions that are subject to Alert Level 3 or Alert Level 4 restrictions, the length of those restrictions, and the number of schools and kura that continue to pay casual workers at these Alert Levels;
- 6 **agreed** to the provision of further emergency support for casual schooling workers, the extent of which will be heavily influenced by the period over which COVID-19 Alert Level 2, Alert Level 3, or Alert Level 4 restrictions remain in place;

### Financial implications: immediate funding

- 7 **approved** the following changes to appropriations to fund income support for a further two weeks, up to 7 September 2021, for casual schooling workers who are unable to work or are restricted in their ability to work due to COVID-19 or Public Health Guidelines operating at Alert Level 2 or higher, with a corresponding impact on the operating balance and net core Crown debt:

Vote Education Minister of Education	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
<b>Multi-Category Expenses and Capital Expenditure:</b>					
<b>Outcomes for Target Student Groups MCA</b>					
<i>Non-Departmental Output Expense:</i>					
Learning Support	0.595	-	-		-
<b>Primary and Secondary Education MCA</b>					
<i>Departmental Output Expense:</i>					
Support and Resources for Education Providers (funded by Revenue Crown)	0.168	-	-	-	-
<i>Non-Departmental Output Expenses:</i>					
Primary Education	6.018	-	-	-	-
Secondary Education	4.019	-	-	-	-
<b>Total Operating</b>	<b>10.800</b>	-	-	-	-

- 8 **agreed** that the change to appropriations for 2021/22 above be included in the 2021/22 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;
- 9 **agreed** that the expenses and capital expenditure incurred under paragraph 7 above be charged against the COVID-19 Response and Recovery Fund established as part of Budget 2020;

**Financial implications: establishing a contingency**

10

9(2)(f)(iv)

- 11 **authorised** the Minister of Finance and the Minister of Education jointly to approve the draw down of the Emergency Support for Casual Workers in State and State-integrated Schools and Kura contingency;
- 12 **agreed** that the expenses incurred under paragraph 10 above be charged against the COVID-19 Response and Recovery Fund.

Janine Harvey  
Cabinet Office

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