



Education Report: Increasing teacher supply through overseas teacher recruitment

To:	Hon Chris Hipkins, Minister of Education Hon Jan Tinetti, Associate Minister of Education		
Cc:	Hon Kelvin Davis, Hon Aupito William Sio		
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Drafters:	Emma MacDonald Rachel Clements	DDI:	9(2)(a) [REDACTED]
Key Contact:	Simon Mandal-Johnson	DDI:	9(2)(a) [REDACTED]
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Purpose

1. This paper provides you with further advice on work underway to increase overseas teacher recruitment and seeks your approval to expand our suite of existing initiatives to attract a larger pool of teachers.

Summary

2. This briefing builds on the advice we recently provided on the teacher labour market [METIS No: 1290129 refers]. In that paper, we noted that the teacher labour market was showing recent signs of supply pressure and that further support to increase the supply of teachers might be needed.
3. In discussion with officials, you requested further advice on a range of initiatives to increase of teacher supply. This paper seeks agreement to **expand two incentives to help schools, kura and early learning services (ELS) recruit and retain overseas teachers**. In this expansion, the initiatives would fund up to 1,800 overseas trained teachers to enter New Zealand.
4. If fully utilised, the maximum cost of the expansion would be \$20.586 million. 9(2)(f)(iv) [REDACTED]

5. 9(2)(f)(iv)

Recommendations

The Ministry of Education recommends you:

a. **agree** to expand the:

- i. Overseas Finders Fee (OFF): from the current 600 to 1,800 grants for any school, kura or centre (capped to 3 per centre) recruiting overseas, at \$3,450 (GST inclusive) per grant - an additional cost of \$4.140 million in 2022/23
- ii. Overseas Recruitment Grant (ORG): from the current 600 to up to 1,800 grants of up to \$10,000 (GST inclusive) per overseas teacher – an additional cost of \$15.000 million in 2022/23

☒ Agree / ☐ Disagree

b. **agree** to provide additional financial support to the Teaching Council, NZQA and Education Payroll Limited to speed up the processing of overseas teacher registrations, qualification and salary assessments respectively and remove the NZQA assessment fee for overseas qualifications at a cost of \$1.446 million in 2022/23

☒ Agree / ☐ Disagree

c. **note** that, overall, these additional teacher supply initiatives are estimated to cost up to a maximum of \$20.586 million in 2022/23

Noted

d. **note** that we intend to redirect up to \$2.037 million of funding from other Teacher Supply initiatives [CAB-19-MIN-0174.13 initiative 10884 refers]

Noted

9(2)(f)(iv)

- f. **note** that we will provide you with additional advice for further actions to increase the supply of domestically trained teachers in the coming weeks

Noted

- g. **agree** that this briefing is not released at this time until any decisions have been agreed by Cabinet

Agree Disagree



Simon Mandal-Johnson
Senior Manager Ohumahi Matauranga

05 / 08 / 2022



Hon Chris Hipkins
Minister of Education

13 / 8 / 2022

Hon Jan Tinetti
Associate Minister of Education

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The supply of teachers is becoming more challenging

1. Having a sufficient, qualified, and capable teacher supply is a fundamental requirement for the education system. A shortage of suitable teachers limits the ability of schools, kura and early learning services (ELS) to improve learner outcomes, is harmful for the wellbeing of staff and students, and will have a longer-term wider impact on New Zealand's economy and society.
2. We noted in previous advice [METIS 1290129 refers] that there are signs of growing stress in the teacher labour market:
 - a. An increase in the number of teachers leaving the profession during May and June 2022, returning to more 'typical' pre-COVID levels.
 - b. An increase in the number of teaching roles being re-advertised.
 - c. An increase in the number of teachers changing roles.
 - d. A return to 'typical' pre-COVID levels of ITE enrolment. Similar trends are being seen in all three sectors. This reduces the number of teachers available to replace those leaving.
3. If these trends were to continue unchanged for the rest of 2022, we would be tracking towards the 'high' scenario outlined in the annual teacher demand-supply planning projections in 2022. In that scenario, we would be looking at an undersupply of teachers in the secondary sector at a national level.
4. We know that schools, kura and ELS are dealing with high levels of sickness and absence now, due to Covid and winter illnesses. Relief teachers are in high demand and sickness is also affecting their availability. Schools, kura and ELS are reporting that they are experiencing difficulties finding suitable staff to cover for illness and fill their vacancies. This is impacting on the overall well-being, in a workforce showing signs of fatigued and decreasing satisfaction in their jobs. This is contributing to the frustration we are hearing from the sector.
5. This paper advances our advice provided in METIS 1290129 and focuses on outlining immediate options for increasing teacher supply through the recruitment of overseas teachers. 9(2)(f)(iv)

We can increase the number of overseas teachers arriving in New Zealand

6. Recruiting overseas teachers is the quickest way to increase the supply of experienced teachers in New Zealand. Several factors impact the speed by which an overseas teacher may arrive in NZ after a job offer, but it can be as quick as a month or two if they already have their qualifications assessed and have teacher registration.
7. We know that overseas teacher recruitment is challenging – it takes time, effort and is costly. As a result, we partnered with Toi Āria: Design for Public Good at Massey University to learn how to improve overseas recruitment and retention from overseas teachers, principals, ECE leaders, peak bodies, government agencies, Te Mahau and recruiters. The following is based on what we have learnt from this participatory design approach.
8. The insights and possible solutions to improving overseas teacher recruitment and retention gained from this work are invaluable. While this work is still underway, the following outlines where we have taken early action to address key issues identified by the sector.

We are taking action to improve the user experience

9. We have heard that financial incentives alone are unlikely to be sufficient to bring teachers to New Zealand without improving the process and other support available. Preliminary analysis by Toi Āria shows the need for:
- a. **process changes** involving Immigration NZ, NZQA, the Teaching Council of Aotearoa and the Salary Assessment Unit of the Ministry of Education (the Ministry) to simplify and streamline the arduous, complex, lengthy, and costly processes to move to New Zealand.

9(2)(f)(iv)

10. We are taking immediate action to improve the user experience based on what we have heard from our Toi Āria work. We have already:
- a. **introduced a 'navigator' service** to provide a concierge-experience for schools, kura and ELS when recruiting an overseas teacher, and to support overseas teachers looking for information or advice on coming to New Zealand. This responds to sector demand and builds on the success of the border exception case manager role.
 - b. **reactivated the Overseas Finders Fee (OFF) and the Overseas Relocation Grant (ORG)**, timed with the launch of the new Accredited Employer Work Visa. The OFF provides \$3,450 (GST inclusive) to schools, kura and centres to cover the additional costs involved in overseas recruitment. The ORG provides up to \$5,000 (GST inclusive) relocation costs for overseas teachers [METIS 1284816 refers]. This was funded by money allocated in Budget 2019 and is the first time the OFF and ORG have been available to ELS.
 - c. **set up a cross-agency group**¹ to identify and solve problems and improve processes for overseas, beginning and returning teachers.
11. We are also:
- a. **developing a marketing campaign** to promote the ORG to target markets, alongside 'selling' why teachers should relocate to New Zealand. Funding is already available from within Ministry baselines.
 - b. **overhauling web information** for overseas teachers to better meet their needs and provide greater certainty around timeframes and the processes

¹ Membership includes representatives from the Teaching Council, NZQA, MBIE (Immigration New Zealand and Immigration Policy) and relevant parts of the Ministry (Teacher Supply, Salary Assessment Unit, Curriculum Sector Capability (Professional Learning and Development), Contracts and Implementation).

they need to complete to ensure they are ready to work when they arrive in New Zealand.

- c. **significantly reducing processing times** by funding:
- i. two roles at the Teaching Council dedicated to expediting overseas teacher registration assessments at a cost of \$0.2 million.
 - ii. two roles at NZQA dedicated to expediting the assessment process for applicants with overseas qualification at a cost of \$0.2 million.
 - iii. three roles at Education Payroll Ltd dedicated to expediting the salary assessment of overseas teachers at a cost of \$0.15 million. The significant delays associated with the salary assessment process results in significant and unnecessary stress. We have heard of a situation where a teacher and their family have returned to their home country due to the delay.
- d. **reducing upfront sunk cost** by funding the NZQA to waive the cost of qualification assessments for up to 1200 overseas trained teachers (a fee of \$746 per teacher, total cost \$0.896 million) under Non-Departmental Output Expense Standards and Qualifications Support (Oversight and Administration of the Qualifications System MCA).

Overseas teachers identify this cost as a significant barrier to finding out if they can teach in New Zealand. Removing this cost will mean overseas teachers can accept a job offer and move to NZ faster. This is a not a cost for domestically trained teachers.

We also considered whether we should fund the Teaching Council to waive the registration fees for overseas teachers. We have rejected this as it would create significant equity issues with domestic teachers.

There is value in increasing & expanding financial support to attract more overseas teachers

12. The sector has welcomed the reactivation of the OFF and ORG. However, given the added pressures on the system we know it is likely we will overshoot the 600 grants currently available:
- a. in 2019, 948 overseas trained school teachers were approved for a visa². This does not include ECE teachers which we expect would increase that number significantly

9(2)(f)(iv)

13. We have also heard from resident overseas teachers that more money would help due to the significant financial burden of moving to a new country, with some selling everything to afford the move. Alongside increased cost of living and significant relocation costs, the ORG is less attractive than some internationally comparable schemes. The size of this grant has not changed since 2019 [METIS 1290129 refers includes more detail].

² <https://ero.govt.nz/our-research/overseas-trained-teacher>

14. As a result, we propose two changes to the scheme and seek agreement from Cabinet to:
 - a. **expand the number of places available in the ORG and the OFF**, from the current 600 places to 1,800 places. Given historical volumes and current job market challenges, this is likely to cover all overseas teachers who would want to move to New Zealand
 - b. **expand the size of the relocation grant** from up to \$5,000 to \$10,000. 9(2)
(f)
(iv)
15. The financial implications of these changes to the OFF and ORG are an additional **\$19.14 million**. The change to the OFF represents a cost increase of \$4.140 million over the original allocation of \$2.07 million. while the ORG represents a cost increase of \$15.0 million over the original allocation of \$3.0 million.
16. We also propose making a series of further non-financial changes to the schemes, consistent with the overall intent to expand access to these initiatives:
 - a. **expand the OFF and ORG to include all schools and kura**. While non-isolated primary schools were initially excluded when the scheme reopened, we would now recommend removing this requirement, in with the general principle of making funding available for any overseas teacher.
 - b. **expand the OFF existing cap to three grants per early learning centre**, from one grant per centre. A cap is seen as essential due to the large number of education and care services (approx. 2,700) and the limited number of grants. If the number of grants is increased, a slight relaxation of this cap would support a wider range of ELS to access this grant.
 - c. **expand the ORG to capture all eligible early learning service teachers**.
 - d. **extend the deadline for the OFF and ORG to 30 June 2023**, from 30 December 2022. We had initially signalled that the OFF and ORG would be temporary while we conducted a wider review of our overseas recruitment approach but have found that the value of these grants is undisputed.
17. Other conditions of the scheme would remain unchanged. Most importantly, the scheme would not be open to private schools and a minimum 12-month contract for any overseas teacher is required.
18. Both schemes have comparatively little 'wastage' cost. We consider the risk of creating an oversupply of teachers from this approach to be low, given the sector's strong stated preference for hiring New Zealand trained teachers, and our additional efforts to match graduating ITE students to roles as part of the Beginning Teachers Vacancy Scheme.
19. We would backdate all changes to 1 July 2022 where relevant, so that no applicant who applied under the existing rules would be disadvantaged.

We are developing a wider workplan to address on-going teacher supply issues

23. While overseas teachers are the quickest solution for increasing the supply of teachers, it is not the only solution. We also need to:
 - a. continue to grow our pipeline of domestically trained teachers
 - b. continue to improve the retention of those already in the profession
 - c. encourage previously trained teachers to return.
24. We have begun to build a multiyear work programme, identifying actions across these challenges. Appendix one sets out our preliminary overview of this approach. This is an initial view. As we noted in previous advice [METIS 1290129 refer], we want to build this long-term workplan in discussion with the sector. For this, we plan to hold a wānanga later this year to work with the sector to determine the priorities for the sector. This work will sit alongside the *Teacher | Kaiako Education work programme* you previously considered on the future of ITE and ongoing professional development [METIS 1289966 refers].
25. The work programme will require time and engagement as we work alongside the sector. While some changes can be rolled out now, for benefit in 2023, such as the Beginning Teacher Vacancy Scheme, other, will take several years to see change, such as employment-based ITE. 9(2)(f)(iv)

Financial Implications and timelines

26. The recommendations in this paper to improve overseas teacher recruitment would cost a **maximum of \$20.586 million in 2022/23**, of which:

⁴ If not on the green list, from December 2022 the partner of a teacher coming to New Zealand would need to be eligible for a work visa.

- a. \$19.140 million in FY 2022/23 to expand the OFF and the ORG (on top of the funding approved in Budget 19)
- b. \$1.446 million to the Teaching Council, NZQA and the Salary Assessment Unit in Education Payroll, along with other actions to improve the user experience.

Teacher supply initiatives (\$m)

Process costs		
• Teaching council	0.200	
• NZQA staff	0.200	
• Education Payroll Ltd staff	0.150	
• NZQA fees	0.896	
		1.446
Expansion of OFF & ORG		
• OFF expansion	4.140	
• ORG expansion	15.000	
		19.140
Total cost		20.586
Reprioritisation from ECE initiative		(2.037)
Unfunded Balance		18.549


27. We have investigated how this could be funded from within funding available for teacher supply initiatives. We identified up to \$2.037 million of funding available from existing teacher supply initiatives by repurposing money originally planned for an initiative approved to support additional recruitment in the ECE sector [CAB-19-MIN-0174.13 initiative 10884 refers]. At this stage, we can see no other options for reprioritisation from within Teacher Supply initiatives. All other teacher supply initiatives are committed to, and projected to spend against, other priorities.

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We would want to make an announcement by, at the latest, September 2022 in order to have time to influence recruitment in early 2023. Schools and kura have already begun preparing for next year's recruitment and will need time to register as Accredited Employers for visa purposes. Similarly, overseas teachers also need time to make decisions about whether to relocate: teachers coming


from the UK have to give notice by October 2022 at the latest in order to start in term 1 2023.

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Next Steps

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35. We will come back to you in the coming weeks with further advice on options to increase the supply of domestically trained teachers.