



## **Education Report:** Relief teacher/backfill support for schools and early learning services impacted by mandatory vaccination requirements

<b>To:</b>	Hon Chris Hipkins, Minister of Education		
<b>Date:</b>	7 December 2021	<b>Priority:</b>	High
<b>Security level:</b>	In Confidence	<b>METIS №:</b>	1277392
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### Purpose of report

This paper:

- provides information on the additional relief teacher/staff backfill costs some schools and early learning services are currently facing as a result of mandatory vaccination requirements
- seeks your agreement to the recommended Ministry response, subject to securing funding through Cabinet.

### Summary

Mandatory vaccination requirements are a significant shift for schools and ECE services which presents new employment challenges. Schools and early learning services are likely to face additional relief teacher/staff backfill costs as they transition their workforce to comply with mandatory vaccination requirements.

These additional relief teacher/staff backfill costs are an unforeseen cost that schools and early learning services could not have reasonably planned for within their existing budgets and result directly from Government action. Without additional support there are a range of potential impacts for schools and early learning services which can flow on to learners and children in the system.

We recommend implementing application-based support schemes with strict eligibility criteria in both schooling and early learning sectors to provide additional relief teacher/backfill support.

We propose seeking \$5 million to fund this scheme in the schooling sector from the Between Budget Contingency, and have shared a draft Cabinet paper with your office that reflects this proposed approach. Funding for early learning would be provided from the \$8.5 million earmarked by Cabinet from the Early Learning Sustainability Fund for education-related vaccination costs [CAB-21-MIN-0414 refers].

## Recommended actions

The Ministry of Education recommends you:

- a. **Agree** to implement additional financial support for relief teacher/staff backfill costs to support schools and early learning services to meet mandatory vaccination requirements;

**Agree** Disagree

### *Schooling approach*

- b. **Agree** that the support scheme for schools be implemented as an application-based process with strict eligibility criteria;

**Agree** Disagree

- c. **Note** that the schooling support scheme is estimated to cost up to \$13.157 million, with the potential for some of this cost to be recouped by offsetting banking staffing balances at year end;

**Noted**

- d. **Agree** that \$5 million be sought from the Between Budget Contingency to fund this scheme;

**Agree** Disagree

### *Early learning approach*

- e. **Agree** that the support scheme for early learning services be implemented as an application-based process with strict eligibility and payment criteria;

**Agree** Disagree


- f. **Note** that the early learning support scheme is estimated to cost \$6.814 million;

**Noted**

- g. 9(2)(f)(iv)

**Noted**

John Brooker  
Group Manager  
Te Puna Kaupapahere | Policy

  
Hon Chris Hipkins  
Minister of Education

08/12/2021

8 / 12 / 2021

## Background

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1. All employees of education services and workers who may have contact with children and students when delivering services must now have received their first dose of the COVID-19 Pfizer vaccine, and must receive their second dose by 1 January 2022.
2. This includes principals, teachers, relief teachers, casual and administration staff, caretakers in schools and all workers (paid or voluntary) who are onsite in licensed early learning services (be that in a centre, home, or hospital-based early learning service). The only exception is for workers who have a medical exemption.
3. Where a staff member chooses not to be vaccinated, employers must work through an employment process and, in some cases, this will result in termination of employment. In these cases, the staff member may receive a paid notice period, depending on their employment agreement:
  - a. According to the relevant collective agreements, all teachers and principals must be given at least two months' notice of dismissal and are expected to be paid fully during this time. Other staff such as teacher aides and groundskeepers are required to have between two- and four-weeks' notice.
  - b. Contractual arrangements in early learning are more diverse, reflecting a less unionised workforce and many privately owned services. The two relevant collectives (the Kindergarten Teachers, Head Teachers and Senior Teachers' Collective Agreement and the Early Childhood Education Collective Agreement of Aotearoa New Zealand) requires one month's notice and four weeks' notice respectively. Many individuals will be employed on individual agreements.

## Some schools and early learning services will face additional costs during the paid notice period

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4. Both schools and early learning services are likely to incur additional costs. These will arise where they need to provide relief or backfill positions during a terminated staff member's paid notice period, creating a duplicate cost.
5. Ultimately, early learning services will need to maintain minimum regulated adult: child ratios if they are to continue operating at their usual capacity. Some services may reduce their ratios if they are operating at better than regulated ratio and absorb costs in that way. Some ancillary staff may also be able to work offsite although scope to do this on an ongoing or full-time basis will be limited.
6. Schools have greater flexibility in how they deploy their workforce as they are not subject to specified ratios. While teaching positions can only be filled by registered and certified individuals, schools could utilise non-teaching staff in greater numbers to respond to a teaching staff vacancy.
7. In general, vaccination rates among the education workforce are high. Recent vaccination data from the Statistics New Zealand's Integrated Data Infrastructure<sup>1</sup> shows approximately 91% of early learning staff and 93% of school staff have received at least one dose of the vaccine. However, these rates are markedly lower in particular areas, particularly rural and low socioeconomic communities. This indicates the costs will be felt unevenly, with some schools and services facing particular difficulties.

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<sup>1</sup> This data captures estimated vaccination rates for the schooling sector and early learning workforce including teachers, principals, teacher aides, administration staff. These estimates of workforce include any employee that was paid by a relevant provider between January and April 2021 (which is the latest available employment income data). The data has some limitations in analysis of teaching and non-teaching rates, but we consider the trends to be indicative.

We recommend the Ministry provide additional financial support for relief teacher/backfill costs to support schools and early learning services

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8. We recommend that financial support be provided for relief teacher/backfill costs for the following reasons:
- a. The additional relief teacher/staff backfill costs for unvaccinated staff are an unforeseen cost that schools and early learning services could not have reasonably planned for. Providing support will alleviate financial pressure.
  - b. The cost has arisen directly from Government mandating of vaccination.
  - c. These additional costs have a compounding effect on the schooling and early learning sectors, who are already facing increasingly complex issues due to COVID-19, for example ongoing educational and wellbeing challenges for learners, staff, and the wider community.
  - d. Providing support will minimise the impact on curriculum delivery, particularly in schools, given the potential for staff changes (e.g., if class sizes increase due to fewer staff).
  - e. Parents may face difficulty engaging in the labour market if early learning services are forced to close or limit capacity because they cannot meet costs associated with having unvaccinated teachers.

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#### Recommended response

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9. We recommend the Ministry implement an application-based scheme for schools and early learning services needing relief/backfill support to meet mandatory vaccination requirements during a staff member's paid notice period, following termination of employment.
10. This scheme would incorporate strict eligibility criteria to ensure support is targeted and prioritised based on identified need, as below:
- a. The school or early learning service must have engaged in an employment process with a staff member as part of its work to comply with the recent mandatory vaccination requirements that has resulted in termination of employment.
  - b. The school or early learning service must have employed a reliever/backfill to cover the vacancy caused by the employment process/exemption process.
11. For relief for teaching staff in schools, we propose there is also a requirement that the school must reasonably be unable to meet the additional cost from banking staffing underuse. If additional relief teacher funding is granted and it is found that the school could have met this cost, the Ministry would seek to reclaim this cost from the school's next operational grant instalment.
12. We also recommend that the scheme does not cover home-based early learning services. This is because home-based educators work on a contract basis to parents. There should be no relief educator costs to home-based services arising because of unvaccinated educators. Playcentres should be able to claim for relief costs associated with paid session supervisors. We anticipate the demand for these will be low due to them being a relatively small part of the playcentre workforce. Many playcentre sessions may be unable to run anyway due to unvaccinated parents not being able to be involved.
13. Payment rates for the scheme would vary, depending on the position being filled:
- a. Teaching staff in schools: The Additional Relief Teacher Funding rate would be used, mirroring an existing mechanism for schools to access relief support.

- b. Non-teaching staff in schools: Schools would provide evidence and be reimbursed for actual costs (i.e., pay rate and hours worked).
- c. Early learning: The certificated relief rate of \$30/hour would be used.

### **Costings and funding source**

- 14. As noted, costs for each school and early learning service will vary, depending on the vaccination levels of their specific workforce, the availability of relief or backfill, and the ability of the school or early learning service to absorb any workforce changes. It is therefore difficult to estimate actual demand. The maximum costs that follow assume every vacancy will be backfilled; however, we note that this is very unlikely.

#### *Schooling costs*

- 15. We estimate the maximum costs to schools would be \$13.157 million - \$6.059 million for teaching staff and \$7.098 million for non-teaching staff. These cost estimates use IDI vaccination data as a baseline and apply different vaccination uptake assumptions. These are not predictions or projections but are based on workforce specific vaccination trends.
- 16. The teaching staff costing (\$6.059 million) assumes the following:
  - a. 2% of the teaching workforce is unvaccinated
  - b. 5-week coverage period to the end of Term 4
  - c. applies ARTF daily rate of \$346.19
  - d. secondary school entitlement reduced to only 40% due to NCEA Study Leave for Year 11-13 students.
- 17. The non-teaching staff costing assumes the following:
  - a. 7.5% of the non-teaching workforce is unvaccinated
  - b. 17 days average cover required (assuming 2/3rds need 4 weeks' notice, 1/3rd other staff need 2 weeks' notice)
  - c. \$159.06 per day per person (average teacher aide rate \* 6 hours per day).
- 18. As noted in paragraph 11, our recommended approach would reclaim some of the teaching staff cost, through a 'claw back' process of banking staffing underuse. This means that, while we may initially pay out a high amount, some would be recouped. Using 2022 provision data, we estimate approximately \$2.692 million could be reclaimed.

#### *Early learning costs*

- 19. We estimate the maximum cost for the early learning sector at \$6.784m over the four weeks. The average payment per service is \$1770. Assumed need across the early learning sector is based on hours worked by teachers/kaiako in education and care services, kindergartens during ECE Census week 2021 and kōhanga reo in ECE Census week 2020 (the latter is the previous Census due to data issues with kōhanga reo data in Census 2021). The following variables were also used:
  - a. Relief teacher cost of \$30 per hour with all relief hours paid at this rate
  - b. 226,144 hours of cover assessed as needed over the four-week period
  - c. 6% of teachers estimated to be unvaccinated
  - d. No allowance made for any non-teaching staff cover costs.

## Funding sources

20. 9(2)(f)(iv) [REDACTED]
21. However, we have not been able to identify a funding source from within baselines to fund the schooling component. It is likely all year-to-date surplus funding has been exhausted and that new funding will be needed.
22. As such, we propose seeking funding from the Between-Budget Contingency (BBC) to fund the schooling component. As there is a high degree of uncertainty about the actual costs schools will incur, we propose seeking \$5 million at this stage. We consider that this is likely to meet demand; however, we will monitor actual uptake and provide further advice if actual costs are higher. The Ministry may also be able to accommodate additional costs within baselines, following the reforecast of education appropriations in January 2022.
23. We have consulted with the Treasury on this approach. Initial advice from the Treasury indicated that drawing down the cost from the BBC was a viable funding option for this urgent cost pressure. Consequently, our advice to date has presented this as the preferred funding approach, including the draft Cabinet paper provided for Ministerial consultation. The scaled \$5 million amount also reflects Treasury advice around what would be considered a reasonable draw down from the BBC.
24. However, the Treasury has now provided revised feedback on the proposal, indicating that their preference would be to pre-commit the initial \$5 million against the Budget 2022 package.
25. We consider that the need for additional funding for this cost pressure warrants drawing down from the BBC. It is unexpected, urgent and is a time-bound cost which has arisen in between Budget rounds (i.e., the cost is arising now and schools need certainty as to how it will be managed). Alternatively, pre-committing this funding against the Budget 2022 education package would require trading it off against other education initiatives when, as noted, we are uncertain as to what extent it will crystallize.
26. We have shared a draft Cabinet paper with your office that reflects the proposed approach and welcome any further feedback you have on this draft paper.

## Next steps

27. Should you agree to the recommendations provided in this report, the Ministry will:
- a. finalise the Cabinet paper seeking additional funding to implement a relief/backfill support scheme for the schooling sector, for consideration at Social Wellbeing Committee on 15 December 2021;
  - b. 9(2)(f)(iv) [REDACTED]
  - c. develop guidance and advice for the both the schooling and early learning sectors on the scheme, and work with your office on communication.