



## Education Report: Continuing to support overseas children stranded in New Zealand due to COVID-19 to access education

<b>To:</b>	Hon Chris Hipkins, Minister of Education		
<b>Date:</b>	9 February 2021	<b>Priority:</b>	High
<b>Security level:</b>	In Confidence	<b>METIS No:</b>	1249308
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<b>Messaging seen by communications team:</b>	No	<b>Round robin:</b>	No

### Purpose of report

This report updates you on the situation of school-aged children in New Zealand on visitor visas, proposes you extend their treatment as domestic students and provides a draft Cabinet paper to meet associated costs.

### Summary

Due to COVID-19 a number of school-aged children in New Zealand on visitor visas have been unable to return home. In September 2020, you agreed that these children be treated as time-limited domestic students so that they can continue their schooling while in New Zealand, via notice in the Gazette. Cabinet agreed that the associated costs be accounted for as a forecast change through Baseline Updates, to the end of the 2020 school year.

Given that many travel restrictions still remain and a number of these children are still in New Zealand and are unable to enrol in school as they have exceeded the maximum enrolment period allowed on their visa or cannot afford international fees, we propose extending domestic student status to children on visitor visas in two term increments from the start of the 2021 school year. We recommend seeking Cabinet approval to continue treating costs arising from this change as forecast changes through Baseline Updates, to the end of the 2021 school year. We also recommend seeking agreement to delegate a future decision to extend these settings to the end of the 2021/22 financial year jointly to the Ministers of Education and Finance, should travel continue to be impacted by COVID-19.

The recommended approach provides greater flexibility by removing the need to return to Cabinet to extend the arrangements every six months, but still ensures the exemption is not granted for longer than is needed.

It is not possible to accurately determine how many of these children enrolled in New Zealand schools in terms 3 and 4 of 2020, however, it appears that no actual costs were incurred as students would have enrolled after the final roll return for 2020. Actual costs may be incurred in 2021, as student enrollments will be included in roll returns and staffing and operational funding adjusted accordingly.

## Recommended actions

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The Ministry of Education recommends you:

- a. **agree** to extend time-bound domestic student status to overseas children in New Zealand on visitor visas until the end of term 2 2021

**Agree** Disagree

- b. **note** that we may ask for extensions to the gazette notice every two terms, dependent on the COVID-19 situation

Noted

- c. **agree** to seek Cabinet approval to treat the increase in domestic students and the associated costs as a forecast change accounted for in Baseline Updates

**Agree** Disagree

If you agree to (a) and (c) above:

- d. **indicate** which option you prefer:

- i. **Option 1:** seek Cabinet authorisation to the end of the 2021 school year, and seek approval to delegate a decision to extend to the end of the 2021/22 financial year to the Ministers of Education and Finance (**recommended**)
- ii. **Option 2:** seek Cabinet authorisation to the end of the 2021 school year only

**Option 1** Option 2

- e. **note** that the Cabinet paper which aligns with your preferred option as noted in (b) above will be progressed for Ministerial consultation, subject to any further feedback or proposed changes

Noted

- f. **agree** this Education Report and the final version of the Cabinet paper are not proactively released at this time because the proposed Gazette notice has funding implications. They should instead be released following the publication of the notice. Any information which may need to be withheld at this time will be done so in line with the provisions of the Official Information Act 1982.

**Agree** Disagree



Dr Andrea Schöllmann  
**Deputy Secretary**  
**Education System Policy**

09 / 02 / 2021



Hon Chris Hipkins  
**Minister of Education**

10 / 2 / 2021

## Background

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- 1 In mid-2020, we provided you with information on the situation of school-aged children stranded in New Zealand due to COVID-19 travel restrictions and provided you with options to give these students temporary access to education [METIS 1235951 and 1236821 refer]. In August 2020, there were 1,540 children on visitor visas, 250 of whom were assumed to be enrolled as international fee-paying students.
- 2 On 7 September 2020, Cabinet agreed that costs associated with treating these children as time-bound domestic students be accounted for through baseline updates until the end of 2020 [CAB-20-MIN-0434 refers]. The estimated maximum cost over two terms was \$4.64 million.
- 3 The Gazette Notice granting domestic status to these children was published on 8 September 2020. To be eligible, students had to:
  - have arrived before 2 April 2020
  - hold a valid visa that entitled them to enrol with a registered New Zealand school
  - be in New Zealand under the direct care of a parent or close family member
  - not have previously been enrolled as a fee-paying international student.

## Extending domestic time-bound status in 2021

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- 4 As at 31 January 2021, there are still 1,301 school-aged children on visitor visas in New Zealand. Some of these will be here on critical purpose visitor visas; however, we believe the majority have been here since March 2020. Given that many travel restrictions still remain and these children are in New Zealand through no fault of their own, we propose continuing to treat them as domestic students via Gazette Notice and seeking Cabinet approval to meet the associated costs.

### 2020 enrolments and costs

- 5 It is not possible to determine the exact number of students on visitor visas who enrolled in schools as a result of their treatment as domestic students. Ministry systems do not distinguish these students from other time-bound domestic students (for example, the children of certain student visa holders). In the second half of 2020, the overall number of time-bound domestic students increased slightly then decreased in December. This was consistent with previous years, albeit with a slightly larger decrease in December.
- 6 Costs associated with the enrolment of children on visitor visas in the 2020 school year appear to have been absorbed into schools' usual operational funding and staffing entitlements, which account for roll growth at primary school level. The Gazette notice was issued in September 2020, which is after all roll returns were completed and therefore after any automatic adjustments to funding would occur. There were some applications for extraordinary roll growth in 2020, but numbers were consistent with previous years so do not indicate any increase as a result of students on visitor visas enrolling. In effect, there does not appear to have been a significant extra cost.

### Situation in 2021

- 7 The Ministry of Business, Innovation and Employment (MBIE) has provided updated visa data by country and age. We have rolled this up by region of origin and it is shown in table 1 overleaf.

*Table 1: high-level breakdown of children and young people aged 5 to 18 in New Zealand on temporary visas, in January 2021 compared with August 2020*

Region of origin	Number of children on visitor visas (January 2021)	Percentage of total	Number of children on visitor visas (August 2020)	Percentage of total
Asia (incl. India & China)	428	33%	588	38%
Pacific	262	20%	309	20%
Europe	205	16%	210	14%
North America	187	14%	173	11%
Africa	122	9%	131	9%
South America	46	4%	81	5%
Australia	27	2%	14	1%
Middle East	24	2%	32	2%
Unknown	0	0%	2	0.1%
<b>TOTAL</b>	<b>1,301</b>	<b>100%</b>	<b>1,540</b>	<b>100%</b>

- 8 The overall number of children on visitor visas in the country has decreased. The reductions include a mixture of children and young people leaving New Zealand, changing visa status and young people turning 18.
- 9 At a country level, there is correlation between countries that have COVID-19 well managed and the proportion of children leaving New Zealand.
- 10 The increases for Australia and North America are likely due to a mixture of children who have turned 5 since the last report so are now captured in this reporting, and dependent children of adults who are permitted to enter New Zealand under a border exception category. Children in the latter category would not be eligible for domestic student status. These families will need to apply for the appropriate visa (work, student, etc) in order to become eligible for domestic student status or alternatively will be international fee-paying students.
- 11 Analysis by age shows that the majority of students are primary-aged (1,142 students). Only 159 are aged between 13 and 18 years.

## 2021 enrolments and cost

- 12 A feature of the school funding system is that schools are allocated a minimum staffing level for the school year, based on their provisional roll and projected roll growth. This is calculated in August and based on the July roll return. School staffing is adjusted upwards if the March roll return is higher.
- 13 Students who enrol at the start of the 2021 school year will be captured by the 1 March roll return. This means that additional domestic students associated with this change may have an actual effect on both staffing entitlement and operational grant funding in 2021, rather than the nominal effect they had in 2020 (because domestic status was granted after all 2020 roll returns were completed). This may mean that there is a greater actual cost this year.

- 14 We estimate a maximum cost of \$4.18 million for two terms and \$8.36 million for the whole year.<sup>1</sup> It is difficult to estimate what enrolments for 2021 might be, as this will depend on family situations. Families may be more likely to enrol children at the start of a new school year, but some are likely being home-schooled or studying via correspondence from another country. However, given the high number of primary-aged children, we expect that the majority will attend school. We assume 15% will continue to attend as international fee-paying students, so the maximum estimate is based on 1,100 children attending school as time-bound domestic students.
- 15 804 (62%) of the visas expire between February and the end of June 2021. There are no current plans to automatically extend visitor visas that are due to expire over this period. If these people choose to stay in New Zealand, they will need to apply for a visa that is appropriate to their circumstance. It is impossible to predict what choices people will make.

### Proposed approach

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- 16 We recommend extending time-bound domestic student status via Gazette notice. However, to mitigate any risk that these arrangements become an incentive to families to stay in New Zealand, rather than make travel arrangements to return home when these are possible, we propose issuing the Gazette notice two terms at a time. This will mitigate this risk and ensure domestic student status is not extended further than required.
- 17 Separately, the Ministry is providing advice to schools on enrolling students who are in New Zealand on critical purpose visitor visas. There are separate mechanisms for managing access to education for these children. Some will be entitled to enrol as domestic students when their parents visa status changes to a work visa; others will be expected to pay international student fees.
- 18 Should you wish to extend time-bound domestic status for these children, we propose seeking approval from Cabinet to treat costs arising from the temporary increase in domestic student enrolments as a forecast change, accounted for in Baseline Updates. This would continue the approach taken in late 2020.
- 19 We recommend seeking Cabinet approval of this change until the end of the 2021 school year and seeking approval to delegate a future decision to extend further (to the end of the 2021/22 financial year and middle of 2022 school year) jointly to the Ministers of Education and Finance. This would provide flexibility to continue enabling students in New Zealand on visitor visas who cannot return home due to COVID-19 to access education, should the need persist, without needing to return to Cabinet every six months.

### Next steps

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- 20 A draft Cabinet paper is attached as Annex 1. Should you agree to this approach, we will progress the Cabinet paper for agency consultation, subject to any changes or feedback.

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<sup>1</sup> The average cost of education one child is \$7,600 pa or \$1,800 per term.