



Education Report: Overseas Teacher Recruitment - Supporting Schools and Overseas Trained Teachers

To:	Hon Chris Hipkins, Minister of Education		
Cc:			
Date:	16 May 2022	Priority:	High
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Messaging	No	Round Robin:	No

This report recommends:

- Reactivation of the Overseas Finder's Fee (OFF) to support schools, kura and early learning services with their recruitment costs from 1 July 2022, and;
- Reactivation of the Overseas Relocation Grant (ORG) to support overseas teachers with the costs of relocation from 1 July 2022.

Summary

- 1 There is urgent need to reintroduce support for overseas teacher recruitment, given ongoing supply pressures, as evidenced by the Teacher Demand and Supply Projections, and feedback from the sector. Supply pressures are expected to increase with New Zealand's international border re-opening in July.
- 2 This report sets out our plans to reactivate two initiatives that were paused in March 2020 at the start of the COVID-19 pandemic: the Overseas Finder's Fee (OFF) to support school recruitment costs and the Overseas Relocation Grant (ORG) to support teachers moving to New Zealand for a teaching role.
- 3 We propose that:
 - a. the ORG and OFF are extended to early learning services (ELS), in addition to the compulsory schooling sector (excluding independent schools) from 1 July 2022 until 31 December 2022 or until the annual funding allocation is exhausted, whichever is earlier.
 - b. the OFF is set at up to \$3,450 (GST inclusive) per school or early learning service at a cost of up to \$2.07m for FY 2022-23. This will support eligible schools, kura and early learning services with the costs associated with the recruitment of up to 600 overseas teachers

- c. the ORG is set at up to \$5000 (GST inclusive) per teacher and funded up to \$3m for FY 2022-23. This will support up to 600 overseas teachers to relocate to New Zealand.
- 4 We propose that the OFF and ORG places are allocated evenly across three categories:
 - a. any secondary school or kura (excluding independent schools)
 - b. any licenced early learning service (ELS)
 - c. hard-to-staff primary school or kura (excluding independent schools) which are defined as being over 3.0 on the isolation index or in Deciles 1-3.
- 5 Ongoing funding is available for these initiatives as part of the Budget 2019 package. We will regularly review spend of the fund ahead of the 31 December 2022 cut-off date.
- 6 The education sector is going through change with the border re-opening, possible outflow of domestic teachers and the introduction of the Accredited Employer Worker Visa (AEWV) on 4 July 2022. Reactivating the OFF and the ORG will support operational costs during this change.
- 7 **We ask for your decision by 20 May so that we can communicate the reactivation of the OFF and ORG as part of a communications program prepared for the sector around the changes to international border settings, including the AEWV, scheduled from the week beginning 23 May.**

Recommended Actions

The Ministry of Education recommends you:

- a. **agree** to the reinstatement of the Overseas Finder's Fee from 1 July 2022 at 600 grants of up to \$3,450 (GST inclusive) per school, kura or early learning service increasing the 2020 payment of \$3,323.50 (GST inclusive) at a cost of up to \$2.07m for FY 2022-23.

Agree / Disagree

- b. **agree** to the reinstatement of the Overseas Relocation Grant from 1 July 2022 at 600 grants of up to \$5,000 (GST inclusive) per qualified teacher increasing the 2020 payment from \$4,910.50 (GST inclusive) at a cost of up to \$3.0m for FY 2022-23.

Agree / Disagree

c. **agree** that the Overseas Finder's Fee and the Overseas Relocation Grant:

- will be allocated evenly across each of the following sector categories on a "first come, first served basis":
 - any secondary schools or kura (excluding independent schools)
 - any licenced early learning service (limited to one place per centre per year, reviewed by 30 October 2022)
 - hard-to-staff primary schools or kura (excluding independent schools) which are defined as being over 3.0 on the isolation index or in Deciles 1-3
- will end on 31 December 2022 to allow for the implementation of any future changes based on the wider review of overseas teacher recruitment
- can be transferred between sector categories where needed without the need to consult you.

Agree / Disagree

d. **agree** to announce the reintroduction of the OFF and ORG by 20 May to precede the start of a wider communications package for the sector around recent immigration changes in the week beginning 23 May.

Agree / Disagree

e. **agree** that the Ministry of Education release this briefing in full once it has been considered by you.

Agree / Disagree.



Anna Welanyk
Education Workforce
16/05/2022



Hon Chris Hipkins
Minister of Education
18/ 5/ 2022

Background

- 1 Our Education Report on Teacher Supply and Demand of 27 October 2021 (METIS No. 1267138 refers) told you we would continue to monitor the labour market and respond to the opening of the border.
- 2 In this report, we identified five ‘priority pools’ which pose ongoing pressures for the supply of quality teachers – i.e., STEM, ELS (Early Learning Services), Māori Medium and te reo teachers, Pacific languages and hard to staff areas (METIS No. 1267138 refers). Also, the schooling and ELS sectors continue to relay significant concerns to us about teacher supply; concerns that they expect will be heightened by the border re-opening.
- 3 Increasing teacher supply remains our primary focus. We are reviewing our Teacher Supply initiatives to ensure they are fit for purpose. This work spans our domestic and international supply measures, and includes among other things:
 - considering how international and domestic teacher supply initiatives, such as New Beginning Teachers and Hard to Staff, might be better integrated
 - revision of initiatives to improve the supply of Māori medium teachers and Pacific immersion teachers
 - launching a focused marketing campaign that encourages school leavers, graduates, and career changers to enter ITE (Initial Teacher Education), currently planned for mid-2022.
- 4 We rely on overseas teachers for short term or rapid increases in supply. Typically, a school, kura or centre will only recruit an overseas trained teacher after other domestic recruitment options have been exhausted.
- 5 Our view is that there is a need to provide interim support to the sector, through recruitment support and relocation grants to teachers, while we work on redesigning international programmes.

Before COVID-19 overseas recruitment supplied 15 per cent of New Zealand’s teaching staff

- 6 Overseas recruitment initiatives resulted in 1,120 teachers arriving from overseas in 2019-2020. This was about 15% of new school teachers entering the workforce, despite the disruption to recruitment by COVID-19. There is no data for the ECE sector.
- 7 The main initiatives in place to support schools and kura to recruit overseas teachers before COVID-19 were the Overseas Finder’s Fee (OFF) and the Overseas Relocation Grant (ORG). These grants were not available for the ECE sector. We also funded recruitment companies to source overseas trained teachers for ECE and hard-to-staff locations. These combined measures helped meet sector needs.
- 8 The OFF helped schools and kura meet their recruitment costs for an overseas teachers. It was set at \$3,000 (GST exclusive) per newly recruited teacher. The OFF supported 621 schools and kura from 2017-2021 when the border closed.

- 9 The ORG was paid to overseas teachers to cover the costs required to relocate to New Zealand. It was paid in two instalments – 50 per cent after 10 weeks, and 50 per cent after 30 weeks. The ORG was set at \$5,000 (GST exclusive) for overseas trained teachers and \$7,000 (GST exclusive) for New Zealand trained teachers, based on receipts.
- 10 The ORG supported 1,477 teachers to relocate to New Zealand from 2017-2021. Over 90 per cent of these teachers received their qualifications from seven countries – the top three were South Africa, United Kingdom, New Zealand (17%), followed by Ireland, Canada, Australia, and the United States.
- 11 On 1 July 2021, the OFF and ORG were paused due to the New Zealand border closure. The unspent funding was reallocated to support the domestic equivalents - Domestic Finder's Fee (DFF), the Domestic Relocation Grant (DRG) and the Recruitment, Retention, and Responsibility National Fund (3RNF) from October 2020.

Our assessment of the state of the labour market suggests teacher supply is returning to pre-COVID-19 levels

- 12 During the border closure primary and secondary school teachers stayed in the profession at a historically unprecedented rate: 93 per cent for secondary and 92 per cent for primary teachers were estimated to remain in the profession at the end of 2021. This 'spike' in retention rates is well above the historical norms of about 89 per cent for primary and secondary teachers from 2014-2019.
- 13 Early indicators¹ are used to determine how the sector is responding to shortages. In the first four months of 2022, 1,313 new advertisements for the compulsory schooling sector were listed in the Gazetteⁱ. This is lower than the previous three years where new advertisements across the same period ranged from 1,725 to 2,089.
- 14 The picture for early learning services is less clear as centres are not required to advertise in the Gazette. Regardless, data shows new advertisements¹ are higher in the first four months of 2022 (1,480) than the same period across the previous three years (ranging from 797 to 1,418).
- 15 Termination data from the education payroll provides evidence of a return to pre-pandemic levels. Data from January and February 2022 show terminations above the same months in previous years (~5,300 for 2022 and ~4700 for 2019). This increase is not fully attributable to COVID-19 reasons.
- 16 We expect challenges to continue to increase, especially now that teachers may leave to go overseas now that the borders have re-opened. We are making improvements to our data collection so that we can better monitor retention trends across the compulsory education and early learning services sectors.

¹ advertisements in the Education Gazette, permanent and fixed term teachers' retention rates, and termination data from the education payroll.

Schools and early learning services can shortly apply for the new Accredited Employer Worker Visa

- 17 As teachers were recognised as a critical workforce, a Border Exception was established in mid-2021 permitting up to 300 overseas qualified teachers to apply for a Critical Purpose Visitor Visa to work for eligible ECE, schools and kura. You agreed that eligible schools and early learning services could apply for a grant of \$5,500 (GST exclusive) to assist with recruitment costs, noting that these costs were significantly higher than normal due to costs associated with managed isolation (METIS No 1263721 refers).
- 18 All 300 teacher border exceptions have now been allocated. As there may be a small number of withdraws, a waitlist is in place for schools and early learning services who have an urgent need and a credible pathway to get the teacher into New Zealand prior to July.
- 19 Schools, kura and early learning services recruiting overseas teachers will shortly be able to apply for the new three-step Accredited Employer Work Visa (AEWV). Coming into effect 4 July 2022, this new visa is employer led and will impose cost on the sector. We are working with MBIE to ensure the AEWV process is streamlined as far as possible, and impacts are minimised for schools and early learning services.

The OFF and the ORG are good interim options to support the sector while there is a wider review of overseas teacher recruitment

- 20 There is urgent need to reintroduce support for overseas teacher recruitment, given ongoing supply pressures which are expected to increase with the border re-opening.
- 21 The OFF and ORG have received good sector feedback over the last five years. An independent review conducted by Delivery Associates in 2021 recommended their reintroduction as they are cost effective per teacher and are easy to implement and administer. They could be ready for 4 July 2022 when the Accredited Employer Worker Visa (AEWV) is introduced.

Funding levels

22 We propose the following number of grants and funding levels for the OFF and ORG:

	Total number of grants available	Payment for recruitment of qualified overseas teachers (GST inclusive)	Cost (GST inclusive)
OFF	600	Up to \$3,450 to eligible schools or early learning services	\$2,070,000
ORG	600	Up to \$5,000 to eligible teachers	\$3,000,000

- 23 For the OFF, we propose allocating funding for 600 places at up to \$3,450 (GST inclusive). This allocation matches the six-monthly uptake of the OFF prior to the border closure and is in line with the average payment for the OFF over 2017-2021 of \$3,323.50 (GST inclusive).

- 24 For the ORG, we propose allocating funding for 600 places at up to \$5,000 (GST inclusive). This is a change from pre-border closure where there were two levels of funding (see para 9) but simplifies the process by reflecting the average payment pre border closure of \$4,910.50 (GST inclusive). It also reflects that returning New Zealand trained teachers will not have the same visa costs as an overseas trained teacher. The 600 places are an increase from the 300-400 teachers supported by the ORG each year in FY 2017-18-20-21 (total 1,101). The increased number of places allows for rapid expansion in demand should it occur.
- 25 We will review the OFF and ORG as part of the wider review of overseas initiatives. To allow for the implementation of any future changes, we propose an end date for the OFF and ORG of 31 December 2022.

All early learning services and secondary schools as well as hard-to-staff primary schools and kura should be eligible for the OFF and ORG

- 26 We have considered whether to limit eligibility to these incentives to certain priority pools (such as early learning services or STEM) or by location (such as hard-to-staff areas). This would align with our domestic supply needs and priorities agreed last year. It also aligns with the approach taken by Immigration NZ to use specialisations on a green list that guarantees a two-year pathway to residency. The OFF and the ORG could be based on the priority areas of:
- a. Science, Technology, Engineering or Mathematics (STEM)
 - b. hard-to-staff school or centre (over 3.0 on isolation index or Decile 1-3)
- 27 In considering the use of segment or location as a basis for targeting we have taken advice from the sector. The collective view is that both secondary and early learning services are experiencing significant shortages that are not reflected in the official data. There appears to be little value in constraining demand by segment or location. The difficulty in using the current criteria for STEM and hard-to-staff is that these are crude measures where not all schools who have need will meet the criteria.
- 28 Development of the equity index and a more nuanced definition for hard-to-staff schools will help moderate this and will be considered as part of the wider review of overseas' recruitment.
- 29 National data shows an oversupply of primary school teachers. But the sector confirms that this does not reflect local conditions and staffing challenges. As a result, we propose that hard-to-staff primary schools and kura are eligible for both the OFF and ORG.
- 30 We also considered whether independent schools should be eligible for the OFF and the ORG. Due to the finite funding and therefore grants available, we recommend prioritising these grants to identified areas of greatest need. This means that the independent schooling sector would not be eligible.
- 31 If a school, kura or ELC is bringing in an overseas teacher under the Border Exception programme, neither the teacher nor the school or ELC will be eligible for the OFF or ORG in this instance. This is to prevent 'double dipping', as all Border Exception candidates receive a \$5,500 grant as part of the programme. The places for ELCs will be available until 30 October 2022. This is the same as the approach taken at the start of the Border Exception programme.

32 As a result, we recommend the OFF and ORG are available for qualified overseas teachers – both those New Zealand trained and overseas trained – starting in roles from 1 July onwards in:

- all secondary schools (excluding independent schools)
- all licenced early learning services
- hard-to-staff primary schools (over 3.0 on isolation index or Decile 1-3).

Allocation of Places

33 We propose the following number of places and conditions for the OFF and ORG:

OFF	Places
	<p>600 places until 31 December 2022 (or earlier if allocation exhausted):</p> <p><i>ELS</i></p> <ul style="list-style-type: none"> - 200 places for ELS – limited to one place per year per ELS centre. <p><i>Primary</i></p> <ul style="list-style-type: none"> - 200 places for Hard-to-Staff <p><i>Secondary (excluding independent schools)</i></p> <ul style="list-style-type: none"> - 200 places <p>If places are exhausted in one sector these may be transferred from another.</p>
ORG	Places
	<p>600 places until 31 December 2022 (or earlier if allocation exhausted):</p> <p><i>ELS</i></p> <ul style="list-style-type: none"> - 200 places limited to one place per teacher year per ELS centre. <p><i>Primary</i></p> <ul style="list-style-type: none"> - 200 places for Hard-to-Staff schools. <p><i>Secondary (excluding independent schools)</i></p> <ul style="list-style-type: none"> - 200 places. <p>If places are exhausted in one sector these may be transferred from another.</p>
Rationale	<ul style="list-style-type: none"> - Aim to help more schools and overseas teachers through more places. - Assist ELS as not previously eligible. - Distribute across ELS, secondary (excluding independent schools) and primary that have HTS positions. - This approach will be reviewed by 30 October 2022 and amended where necessary. - Reduce administrative overheads through simplifying criteria.

We will update you on the outcome of our wider review of overseas teacher recruitment in September 2022

- 34 The supply interventions available for international and domestic supply are un-co-ordinated. We are reviewing these programmes across international and domestic settings to ensure that the pathways into teaching are clear, and easy to understand and use. This will also allow us to put programmes in place to improve overseas and domestic teacher retention and quality.
- 35 Our work with the Border Exception programme has provided examples of how we can help schools, kura and early learning services manage the recruitment process. We are proposing the creation of a support role for principals and the early learning sector to help navigate the AEWV application process with Immigration NZ. This role will also act as a general navigator for the sector on immigration matters.

Risks

- 36 There is significant risk of a wider range of teacher supply shortages due to the border reopening and loss of teachers overseas. The reintroduction of the OFF and the ORG, and extending these to early learning services, will demonstrate that we have listened to the sector and their concerns about supply challenges and the higher costs of overseas teacher recruitment.

Financial Implications

- 37 The reintroduction of the OFF and ORG are funded out of Budget 2019 and are baseline in outyears.

Next Steps

- 38 We will:
- announce the reactivation of the OFF and ORG week beginning 23 May as part of a communications and support package for the sector around recent immigration changes
 - open applications for the OFF and ORG from 1 July 2022 to align with the introduction of the AEWV
 - provide an update on overseas recruitment in September 2022 which will cover:
 - i. proposed improvements
 - ii. options for increasing alignment with domestic programmes
 - iii. potential budget implications.

ⁱ excluding regrades and readvertisements.