



## Briefing Note: (Draft) Cabinet paper – Addressing COVID-19 related cost pressures within the education system

<b>To:</b>	Hon Chris Hipkins, Minister of Education		
<b>Date:</b>	26 November 2021	<b>Priority:</b>	High
<b>Security Level:</b>	In Confidence	<b>METIS No:</b>	1278192
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### Purpose of Report

This briefing provides a draft Cabinet paper for discussion at your agency meeting on 29 November: *Addressing COVID-19 related cost pressures within the education system*. The paper details a number of cost pressures and a technical change required for Te Kōhanga Reo National Trust property funding, and seeks Cabinet's approval for managing them.

We have also identified another potential cost pressure for schools (the cost of additional paid sick leave) not currently covered in the draft Cabinet paper.

### Proactive Release

- a **agree** that the Ministry of Education release this briefing in full once decisions have been made and implemented.

☒ **Agree** / ☐ **Disagree**



John Brooker  
**Group Manager**  
**Education System Policy**

26/11/2021



Hon Chris Hipkins  
**Minister of Education**

29/11/2021

## Background

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1. The education system is facing a range of cost pressures, resulting from recent lockdowns, vaccination mandates and the imminent shift to the COVID-19 Protection Framework. We have previously provided you with advice on some of these areas [for example, METIS 1277412 and 1277392 refer].
2. Following discussions with your office, we have prepared a draft Cabinet paper that consolidates these cost pressures and seeks the necessary authority from Cabinet to manage each of these costs. The Treasury has advised that it is highly unlikely funding from the COVID-19 Response and Recovery Fund will be approved. Our recommended approach for each cost pressure reflects this advice and we have identified alternative funding options:
  - a. Managing cost pressures within baselines where possible;
  - b. Seeking agreement to transfer funding from the Between-Budget Contingency; or
  - c. Seeking agreement to transfer funding as a pre-commitment against the Budget 2022 education package.

## Cost pressures and proposed management approach

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3. The draft Cabinet paper signals that some costs can likely be met from within baselines and seeks Cabinet's approval to delegate authority to the Minister of Finance and Minister of Education to make the necessary appropriation changes. We are proposing to meet the following costs within baselines:
  - a. Counselling services in primary schools in Alert Level 3 areas (\$2.5m)
  - b. Costs for appropriately ventilated teaching spaces (\$13m)
  - c. Funding continuity for early learning (cost uncertain)
4. Some costs cannot be met from within baselines and an urgent decision is needed on how these are treated. We are proposing that:
  - a. Cabinet approve \$19.971m from the Between-Budget Contingency to cover additional relief costs while unvaccinated staff in schools and early learning are in their paid notice period; and
  - b. 9(2)(f)(iv)  
[REDACTED]
5. The Cabinet paper also seeks approval to a fiscally neutral transfer of \$7.66m to support Te Kōhanga Reo National Trust. This replaces funding previously tagged for kōhanga reo that was not carried over between financial years. Replacement funding for the transfer has been sourced from underspends in the Targeted Assistance for Participation Fund. Joint Ministers confirmed the transfer at OBU but Cabinet approval is required for the transfer across appropriations.

9(2)(f)(iv)

- [REDACTED]
- [REDACTED]

### Next Steps

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8. Following discussion at your agency meeting on 29 November, we will amend the attached draft Cabinet paper with your feedback and provide an updated version to your office. A draft has also been shared with the Treasury for their comment.
9. It is planned that this paper be considered by the Social Wellbeing Committee on 15 December 2021.

### Annexes

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- Annex 1: (Draft) Cabinet paper: Addressing COVID-19 related cost pressures in the education system

Proactively Released