



Education Report: Continuation of the Emergency Payment Scheme for casual staff in the State and State-integrated schooling sector

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|---|--|---------------------|--------------|
| To: | Hon Grant Robertson, Minister of Finance Hon Chris Hipkins, Minister of Education | | |
| Date: | 01 November 2021 | Priority: | High |
| Security Level: | In confidence | METIS No: | 1273863 |
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| Messaging seen by Communications team: | No | Round Robin: | Yes |

Purpose of Report

1. This paper seeks your approval to draw down a further \$4.700 million from the tagged contingency established by Cabinet to provide a continuation of emergency financial support to casual workers in State and State-Integrated schools and kura, in response to the COVID-19 resurgence.

Summary

1. Due to the COVID-19 resurgence in late August 2021, the Emergency Payment Scheme was re-established for day relief staff and casual workers in State and State-Integrated schools and kura who are paid by timesheet, and who would not receive any payment due to school and kura closures at COVID-19 Alert Levels 4 and 3.
2. The emergency payment is only intended to compensate for the average hours worked each week and is calculated by offsetting the hours worked at a school and paid by timesheet during the Alert Level 4 and 3 period.
3. To date support has been provided to casual workers of State and State-Integrated schools and kura as follows:
 - a. Approximately \$10.800 million was re-prioritised from non-departmental appropriations for primary, secondary and learning support to enable the Ministry to make these payments, which initially covered the period of 18 to 24 August.

- b. On 24 August, the COVID-19 Ministerial Group agreed that this support should continue up to 7 September and provided a further \$10.800 million for this purpose. On 8 September, emergency payments were made to eligible casual workers for the period 18 August to 7 September.
- c. Additional funding was also provided in the *Emergency Support for Casual Workers in State and State-Integrated Schools and Kura* tagged operating contingency further emergency support for casual schooling workers as required, and you were jointly authorised to approve the drawdown of this funding [CMG-21-MIN-0005 refers]. Subsequently you have agreed to the following payments.
 - o a further \$3.850 million up to 21 September while Auckland remained at Alert Level 4 and the rest of country moved to Alert Level 2 [12 September METIS 1270900 refers]. Emergency payments were made to casual Auckland staff for this period on 22 September.
 - o a further \$3.600 million up to 5 October, while the Auckland region was at Alert Level 3 and the rest of the country at Alert Level 2 [28 September METIS 1272148 refers].
4. The emergency payment scheme has supported around 15,000 casual staff across the country each pay period, while the whole of the country was at Alert Level 3 or 4 in August and early September, and around 3,900 casual staff in Auckland and other regions when they were at Alert Level 3 and the rest of the county at Alert Level 2.
5. This support is summarised below:

| | PP11 | PP12 | PP13 | PP14 |
|---------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 11/08/2021 – 24/08/2021 | 25/08/2021 – 07/09/2021 | 08/09/2021 – 21/09/2021 | 22/09/2021 – 05/10/2021 |
| Number of workers receiving a payment | 13,898 | 16,658 | 7,938 | 3,891 |
| Cost (\$million) | \$6.668 | \$11.649 | \$4.283 | \$3.511 |
| Average payment per worker | \$480 | \$699 | \$540 | \$902 |

Emergency support for casual schooling workers for the pay period (6 to 19 October)

6. As the 6 to 19 October pay period fell across the Term 3 school holidays (Saturday 2 October to Sunday 17 October), automatic payments were made only to those casual workers identified as normally being paid during the term break.
7. This payment was made to roughly 780 employees at a cost of approximately \$355,000, which can be met within the approved funding provided to date.

Emergency support for casual schooling workers beyond 20 October

8. On 18 October, the Government confirmed that the Auckland region will remain at Alert Level 3 until at least 11:59pm on Tuesday 2 November to be reviewed on 1 November. Parts of the Waikato region, including Hamilton, also remain at Alert Level 3. The rest of the country remains at Alert Level 2.
9. We recommend that emergency payments are continued for all Alert Level 3 regions for the full fortnightly pay period of the restrictions, that is, until 2 November 2021. The amount of the payment made to each casual worker will continue to be offset by any casual work that is paid to a worker by a State or State-Integrated school or kura in this pay period.
10. We expect costs for a continuation of the emergency payment scheme in the Alert Level 3 regions beyond 20 October, to be approximately \$4.700 million per fortnight. This estimate is based on schools and kura in the Auckland and Waikato regional council areas remaining at Alert Level 3 from 18 October and requiring emergency payments for this pay period.
11. At Alert Levels 1 and 2, it is expected that relievers and non-teaching staff who normally work across multiple schools and kura will be able to return to their usual patterns of work. Accordingly, the Ministry of Education ceased providing automatic emergency payments to these workers, except for those in Alert Level 3 regions, from 8 September 2021.
12. As the numbers of students who are able to resume in person learning in regions at Alert Level 3 increase, we will re-assess the extent to which emergency payments should continue. We will prepare further advice which considers impact of restrictions on the ability of day relievers to work given the number of students that are able to return and the current health settings for school and kura at Alert Level 3.
13. Support will continue to be provided on application to casual workers in State and State-integrated schools and kura where their ability to gain employment has been directly affected by COVID-19 and public health measures in place at Alert Level 2. This support will be available to those workers who are sick with COVID-19, are required to self-isolate on the advice of public health, or who are assessed as being at high risk of serious complications due to COVID-19 and are not yet fully vaccinated (or receive medical advice that they should continue to isolate at Alert Level 2 despite being fully vaccinated). This is consistent with criteria used in previous periods of Alert Level 2 restrictions. We will re-assess the criteria for access to this support with the introduction of the COVID-19 Protection Framework and increasing rates of vaccination.
14. If you agree to continue emergency payments as proposed and appropriate funding accordingly, the remaining balance of the *Emergency Support for Casual Workers in State and State-Integrated Schools and Kura* tagged operating contingency will be 9(2)(i)

Recommended Actions

The Ministry of Education recommends you:

A. **Note** that on 24 August 2021, the COVID-19 Ministerial Group [CMG-21-MIN-0005 refers]:

- i. Agreed to the provision of emergency support for casual workers who had worked on at least one occasion for a State or State-integrated school or kura in the 90 days leading up to 17 August when the country moved to Alert Level 4, the extent of which will be heavily influenced by the period over which COVID-19 Alert Level 2, Alert Level 3, or Alert Level 4 restrictions remain in place
- ii. Set funding aside in a tagged operating contingency for this purpose
- iii. Authorised you to jointly approve the drawdown of the tagged operating contingency

Noted

Noted

B. **Note** that on 28 September, you jointly [METIS 1272148 refers]:

- i. Agreed that emergency payments be continued from 22 September to 5 October while the Auckland region remained at Alert Level 3
- ii. Noted that the scheme would be available on application at Alert Level 2 for the rest of the country
- iii. Approved changes to appropriations to provide up to \$3.600 million for these payments

Noted

Noted

C. **Note**, that the third emergency payment for casual staff in Auckland was made on 5 October and that as the following next pay period fell across the Term 3 school holidays (Saturday 2 October to Sunday 17 October), automatic payments were been made on 20 October to only those casual workers who are paid during the term break, and these payments can be met within the approved funding to date

Noted

Noted

D. **Agree** that, as the Auckland region will remain at Alert Level 3 until at least 2 November, and parts of the Waikato region until at least 27 October, this support is continued for the next education payroll pay period (from 20 October to 2 November)

Agree / Disagree

Agree / Disagree

- E. **Note** that the Ministry of Education will continue to make Alert Level 2 support available on application for casual workers in State and State-integrated schools and kura whose ability to gain employment has been directly affected by COVID-19

Noted

Noted

- F. **Approve** the following changes to appropriations to give effect to the policy decision in recommendation D above, with a corresponding impact on the operating balance and net core Crown debt:

| | \$m - increase/(decrease) | | | | |
|--|---------------------------|----------------|----------------|----------------|-----------------------------------|
| Vote Education Minister of Education | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 & Outyears |
| Multi-Category Expenses and Capital Expenditure: Outcomes for Target Student Groups MCA | | | | | |
| <i>Non-Departmental Output Expense:</i> | | | | | |
| Learning Support and Alternative Education | 0.259 | - | - | | - |
| Primary and Secondary Education MCA | | | | | |
| <i>Departmental Output Expense:</i> | | | | | |
| Support and Resources for Education Providers (funded by Revenue Crown) | 0.073 | - | - | - | - |
| <i>Non-Departmental Output Expenses:</i> | | | | | |
| Primary Education | 2.619 | - | - | - | - |
| Secondary Education | 1.749 | - | - | - | - |
| Total Operating | 4.700 | - | - | - | - |

Approved / Not approved

Approved / Not approved

- G. **Agree** that the proposed changes to appropriations for 2021/22 above be included in the 2021/22 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply

Agree / Disagree

Agree / Disagree

- H. **Agree** that the expenses incurred under recommendation F above be charged against the *Emergency Support for Casual Workers in State and State-integrated Schools and Kura* contingency previously established by the COVID-19 Ministerial Group as follows:

| | |
|--|---------|
| Contingency: Emergency Support for Casual Workers in State and State-integrated Schools and Kura | 2021/22 |
| Opening balance [CMG-21-MIN-0005] | 9(2)(i) |
| Less | |
| • continuation of income support for the current Alert Level 3 and Alert Level 2 restrictions up to 21 September [METIS 1270900] | (3.850) |
| • continuation of income support for the current Alert Level 3 and Alert Level 2 restrictions up to 5 October [METIS 1272148] | (3.600) |
| • continuation of income support for the current Alert Level 3 and Alert Level 2 restrictions up to 2 November [METIS 1273863] | (4.700) |
| Balance | 9(2)(i) |

Agree / Disagree

Agree / Disagree

- I. **Agree** that the *Emergency Support for Casual Workers in State and State-integrated Schools and Kura* contingency will remain available until the scheme is no longer required

Agree / Disagree

Agree / Disagree

- J. **Note** we will provide further advice regarding the future of the emergency payment scheme in light of the anticipated changes to the COVID-19 Alert Levels structure, the increasing numbers of children and students who are able to return to onsite learning, and introduction of the COVID-19 Protection Framework

Noted

Noted

K. **Agree** that this Report be released as part of the Government's proactive release of information relating to the COVID-19 response.

Agree / Disagree



Hon Grant Robertson
Minister of Finance

2 / 11 / 2021



Anna Welanyk
Hautū – Te Puna Ohumahi Mātauranga

29 / 10 / 2021

Agree / Disagree



Hon Chris Hipkins
Minister of Education

3 / 11 / 2021



Proactively Released

Background

1. On 19 August 2021, you agreed to the re-establishment of emergency payments for casual workers of State and State-Integrated schools and kura [METIS 1269399 refers], following discovery of COVID-19 cases in the community and the resulting shift to Alert Level 4 at 11:59pm on 17 August.
2. Support has been provided to casual workers of State and State-Integrated schools and kura as follows:
 - a. Approximately \$10.800 million was re-prioritised from non-departmental appropriations for primary, secondary and learning support to enable the Ministry to make these payments, which initially covered the period of 18 to 24 August.
 - b. On 24 August, the COVID-19 Ministerial Group agreed that this support should continue up to 7 September and provided a further \$10.800 million for this purpose. Funding was also held in the *Emergency Support for Casual Workers in State and State-Integrated Schools and Kura* tagged operating contingency to provide for further emergency support for casual schooling workers, and you were jointly authorised to approve the drawdown of this funding [CMG-21-MIN-0005 refers]. On 8 September, emergency payments were made to eligible casual workers for the period 18 August to 7 September.
 - c. On 12 September, you agreed that a further \$3.850 million be provided for further support up to 21 September while Auckland remained at Alert Level 4 and the rest of country moved to Alert Level 2 [METIS 1270900 refers]. Emergency payments were made to casual Auckland staff for this period on 22 September.
 - d. On 28 September, you agreed that a further \$3.600 million be provided to fund further support up to 5 October, while the Auckland region was at Alert Level 3 and the rest of the country at Alert Level 2 [METIS 1272148 refers].

Emergency support for casual schooling workers for the pay period 6 to 19 October

3. As the most recent pay period (6 to 19 October) fell across the Term 3 school holidays, automatic payments for this period were made only to a relatively small number of casual workers who are neither term time only nor casual day relief employees.
4. The payment was made on 20 October to roughly 780 employees at an anticipated cost of approximately \$0.355 million.

Emergency support for casual schooling sector workers beyond 20 October

5. On 18 October, the Government confirmed that the Auckland region will remain at Alert Level 3 until at least 11:59pm on Tuesday 2 November. Parts of the Waikato region, including Hamilton, will also remain at Alert Level 3 until at least 27 October. The rest of the country remains at Alert Level 2.
6. Accordingly, we recommend that emergency payments are continued for the next pay period (20 October – 2 November).

7. We expect costs for continuation of the scheme from 20 October to 2 November, to be approximately \$4.700 million per fortnight. This is an estimated costing based on schools and kura in the Auckland and Waikato regional council areas remaining at Alert Level 3 from 18 October and requiring emergency payments for this pay period.
8. The amount of the payment made to each casual worker will continue to be offset by any casual work that is paid to a worker by a State or State-Integrated school or kura in this pay period.

Support at Alert Level 2

9. As we have previously advised, at Alert Levels 1 and 2, it is expected that relievers and non-teaching specialist and support staff who normally work across multiple schools and kura will be able to return to their usual patterns of work. Support is provided on application for those casual workers in State and State-Integrated schools and kura whose ability to gain employment has been directly affected by COVID-19.
10. We have made this support available and to date, only two workers have applied for support.
11. We will reconsider the criteria for this support as vaccination rates lift and the introduction of the COVID-19 Protection Framework.

Financial Implications

12. Your agreement is sought to the provision of \$4.700 million in additional funding to:
 - i. Extend the emergency payment scheme for the fortnightly pay period of 20 October to 2 November for the Auckland and Waikato regions at Alert Level 3.
 - ii. Continue to provide support on application for casual workers who are directly affected by COVID-19 during Alert Level 2.
13. To mitigate the risk of overpayments, the amount of the payment made to each casual worker will continue to be offset by any casual work that is paid to a worker by a State or State-Integrated school or kura in the pay period in which the emergency payment is made.
14. As the length of time that restrictions will be required is not yet known, we continue to recommend that the balance of funding held in the *Emergency Support for Casual Workers in State and State-Integrated Schools and Kura* tagged operating contingency continues to be held in contingency until such time as the emergency payment scheme is no longer required.
15. We will prepare further advice regarding the future of the scheme which considers the opportunity for relievers to be engaged by schools as increasing numbers of students are able to return to in person learning, as well as the impact of restrictions on the ability of day relievers to work for more than one school due to the current health advice around school bubble requirements.

Risks

16. As we have previously advised, while these measures will continue to significantly reassure many vulnerable schooling workers in the affected region/s, they will not fully mitigate the impact of COVID-19 for these employees and the amount of support provided will vary for each individual. This could create a perception of inequity between those who receive different support depending on their circumstances, or people who receive other COVID-19 assistance payments from Government.
17. Some contingent workers may also be eligible for other Government assistance depending on their circumstances. For example, they may work at a non-schooling sector part-time job as well as undertaking relief teaching work.
18. The proposed leave scheme provides direct income support to casual State and State-integrated schooling sector employees. This may be considered more beneficial than the support that has been provided to casual employees in other sectors where different funding and employment settings apply, e.g., employees in the early learning sector.
19. It is not yet possible to estimate the length of time that support will be required or the extent to which casual workers have continued to be paid by schools and kura. Therefore, the total cost to the Government for this support is not yet known.

Consultation

20. The Treasury has been consulted in the development of this Report.

Next Steps

21. Updated detailed communications of the emergency payment scheme proposed in this paper and how this can be accessed by eligible schooling workers will continue to be made available via online channels and the Bulletin for School Leaders.
22. These communications will help provide confidence to casual workers, their families and whānau, and the schooling sector about the supports being put in place to minimise disruption to learning progress and look after the wellbeing of those directly involved in delivering teaching and learning.

Proactive Release

23. We recommend that this paper is proactively released in line with the Government's commitment to the release of such information and advice.