



Education Report: Education services and student support eligibility for Afghan evacuees

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| To: | Hon Chris Hipkins, Minister of Education | | |
| Cc: | Hon Jan Tinetti, Associate Minister of Education | | |
| Date: | 11 October 2021 | Priority: | High |
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| Messaging seen by Communications team: | N/A | Round Robin: | Yes |

Purpose and summary

Many people evacuated from Afghanistan to New Zealand as part of the Government's response to the Taliban's takeover will be granted residence to New Zealand under a special humanitarian visa category. This will enable them to access social supports, including education and social services.

The Ministries of Business, Innovation and Employment (MBIE) and of Foreign Affairs and Trade (MFAT) are preparing a Cabinet paper that sets out options and costs to extend the Government's response to support the resettlement of Afghan evacuees.

We propose this Cabinet paper recommend Cabinet approval to change student financial support eligibility settings (student loans, student allowances and Fees Free) to enable those granted the Afghan Emergency Resettlement Resident Visa access without the need for a residency stand-down period. Enabling such access would be consistent with the broader Government approach to supporting evacuees in their settlement outcomes, including to achieve their tertiary education and career goals more quickly.

Additional funding will also be required to enable Afghan evacuees to access education services. Settlement support costs will be sought through a MBIE-led process as part of the joint Cabinet paper.

Recommended actions

The Ministry of Education recommends you:

- a. **note** that the Ministers of Immigration and Foreign Affairs intend to lodge their Cabinet paper on the resettlement of Afghan evacuees on Thursday 14 October for consideration by the Economic Development Committee on Wednesday 20 October

- b. **note** that a stand-down period of three years applies for people with a residency class visa before they become eligible for student loans and allowances as well as Fees Free payments (student financial support)
- c. **agree** to:
 - i. seek Cabinet approval for the removal of the student financial support three-year residency stand-down for holders of the Afghan Emergency Resettlement Resident Visa for study starting on or after 1 January 2022

Agree / Disagree

AND

- ii. include this proposal in the Cabinet paper referred to in recommendation (a) above
- Agree** / Disagree
- d. **note** that we expect costs to be small and time-limited, as this eligibility change is limited to a very small group of Afghan evacuees who will take up eligible tertiary study within three years, and that all costs can be met within baselines
 - e. **note** that we are seeking additional funding to support increased demand on English for Speakers of Other Languages (ESOL) provision and learning support across the schooling and tertiary education sectors through the Cabinet paper referred to in recommendation (a) above
 - f. **forward** this education report to the Minister for Social Development and Employment and the Minister of Revenue

Yes / No

- g. **agree** that this education report is proactively released after decisions have been made by Cabinet, with any redactions in line with the provisions of the Officials Information Act 1982

Agree / Disagree



Shelley Robertson
**Acting Group Manager
Tertiary Education**

11/10/2021



Hon Chris Hipkins
Minister of Education

12 /10/ 2021

Background

1. The response of the New Zealand Government to developments in Afghanistan following the Taliban's takeover of Kabul has included assisting around 400 people to travel to New Zealand, as of 24 September. Approximately 1200 people remain in Afghanistan (or the surrounding countries), who are eligible to travel to New Zealand.
2. Non-citizens and non-residents, who are part of the Afghan evacuee group, are being granted residence through a special humanitarian residence category, the Afghan Emergency Resettlement Resident Visa Category (Emergency Resettlement Category).¹ This means they can access most Crown-funded health, education, and social security services as New Zealand residents.
3. The Ministries of Business, Innovation and Employment (MBIE) and Foreign Affairs and Trade (MFAT) are preparing a Cabinet paper on the resettlement of Afghan evacuees, which includes considerations of options to extend our response to support their resettlement. It is due to be lodged on Thursday 14 October for consideration by the Economic Development Committee on Wednesday 20 October.
4. The joint Cabinet paper seeks agreement to the Government's response to the situation in Afghanistan and provides an update on settlement support for the group of Afghan evacuees. The Afghan evacuee group includes:
 - a. 428 Afghan evacuees in New Zealand, 195 of which are New Zealand citizens, permanent residents, and their immediate families; and
 - b. approximately 1,200 Afghan nationals remain abroad but are eligible to settle in New Zealand, approximately 180 of which are New Zealand citizens, permanent residents, and their families.
5. There could be other further group of Afghan evacuees who are supported by the Government. That is, the Cabinet paper also proposes allocating places in the existing Refugee Quota for Afghan nationals and further work on options for extended family of New Zealanders and Afghan nationals who were living in New Zealand on a temporary visa before the crisis.
6. The joint Cabinet paper seeks a range of supports for Afghan groups, including travel to New Zealand, Managed Isolation and Quarantine fees, and settlement supports such as access to education services and income support.

Changes to tertiary student support residency settings are needed to ensure consistency across the welfare and student support systems

A residency stand-down period exists in the student support and welfare systems

7. New Zealand residents must have held a residency class visa and lived in New Zealand for at least three years as well as be ordinarily resident in New Zealand before they can access student loans and student allowances.
8. When the Fees Free policy was introduced in 2018, it adopted the residency-based eligibility criteria from the student support settings.

¹ Other evacuees may already have citizenship or residency, or other visa arrangements.

9. To access income support in the welfare system, a person must generally meet the necessary eligibility criteria, including residential requirements.² The Ministry of Social Development (MSD) advises that provisions exist that ensure Afghan evacuees on a residence class visa, including the Afghan Emergency Resettlement Resident Visa, will have access to existing income support through the welfare system via the hardship exceptions that exist.
10. There are no similar provisions in the student support system. Afghan evacuees on an Afghan Emergency Resettlement Resident Visa would be eligible for subsidised tuition and domestic tuition fees (as all those on resident visa holders are). However, changes to eligibility settings would be needed for these visa holders to access student loans and allowances and Fees Free (student financial support) immediately, by removing the three-year stand-down.

We propose to remove the residency stand-down period for student financial support for this special category of residents

11. This proposal would provide further targeted support for Afghan evacuees granted the Afghan Emergency Resettlement Resident Visa, including to achieve their tertiary education and career goals more quickly to support their settlement outcomes. In doing so, it would ensure:
 - a. broad consistency between the welfare system and student support; and
 - b. a similar level of support that is available for refugees who do not face a stand-down period.
12. The government took a similar approach for Afghan interpreters in 2013 (for student loans) and for some of those affected by the Christchurch mosques terror attack in 2019 (for student loans, allowances and Fees Free), where they could gain access to student financial support without the residency stand-down.
13. MSD advise that, based on current timelines for the MBIE/MFAT joint Cabinet paper, the proposed eligibility changes can be implemented for study starting on or after 1 January 2022.
14. We note that this proposal does not extend to other Afghan evacuees who arrive in New Zealand with a different resident visa that they already held. There is a small risk that these people may consider it unfair that this eligibility change does not apply to them. We consider this risk to be low, as this group is small (around 50 people out of the 400 people currently in New Zealand). It is also possible that they have previously spent some time (if not the full three years required under the residency stand-down) in New Zealand before their return to Afghanistan.

Making these changes will have student support costs, but these will be small as eligibility is ring-fenced and the impact is time-limited

15. Based on MBIE data, around 1,400 people³ could gain the Afghan Emergency Resettlement Resident Visa under current settings.
16. It is difficult to estimate the numbers who will take up tertiary education, when they will do this, or the precise cost of these proposed changes. This is because there is limited

² Social Security Act 2018 residential requirements to access general welfare support include being lawfully resident and present in New Zealand, as well as ordinarily and continuously resident in New Zealand for two years or more since becoming a New Zealand citizen or permanent resident.

³ This excludes Afghan evacuees who already hold New Zealand citizenship or residency.

information on the circumstances for this group (eg, their prior tertiary study patterns for Fees Free eligibility, or their income levels for eligibility for student allowances).

17. However, we expect that the numbers of Afghan evacuees, who will study and seek student financial support prior to meeting the three-year residency period, to be small. If we assume their participation in tertiary education aligns with standard adult participation rates, this would be around an additional 80 additional people⁴ in tertiary education per year over the three years, from 1 January 2022 until the end of June 2025.
18. Those granted the Afghan Emergency Resettlement Resident Visa in late 2021 would be eligible for student support and Fees Free payments at the earliest by 2025 under current policy settings.⁵ As it is likely that some evacuees could continue to arrive in the first half of 2022, costings cover the first half of 2025 calendar year. We note that the costings outlined below are indicative to give a sense of the scale of the impact.
19. We estimate the additional capital borrowing for the student loans to be around \$1.1 million from 1 January 2022 to the end of June 2025 and the operating costs for student loan borrowing over same period to be around \$0.4 million. If we assume that all 80 students can access student allowances during this period, the cost would be around \$2.8 million. In comparison, the total student allowances costs are forecast at over \$2.5 billion over the same period.
20. MSD has estimated there will be minor additional operational costs to implement this change as well as flow-on expenditure costs for Jobseeker Support Student Hardship and Accommodation Supplement. These will be finalised in time for lodgement of the Cabinet paper on Thursday 14 October.
21. The additional costs for Fees Free payments are minimal and can be met within existing baselines. A small increase in Fees Free learners will not significantly impact costs. An estimate of the fiscal impact on Fees Free payments would be around \$0.9 million from 1 January 2022 to the end of June 2025. Over that same time-period, the Fees Free payments appropriation is over \$1.3 billion.
22. These estimated costs are very minimal and well within the normal variability of Student Loan Scheme and Student Allowance forecasts and within Fees Free payment baselines. We therefore propose that these costs can be met within existing baselines. We have advised Treasury of this approach, and they are reviewing the overall costs involved in settlement support.

The process for implementing changes has several steps that differ for each component changed

23. If you agree to remove the tertiary student support residency stand-down period for the Afghan evacuees, you need to seek Cabinet approval. We propose this be included in the joint MBIE/MFAT Cabinet paper. The process for implementing the changes is:
 - a. *Fees Free tertiary education and training*: Cabinet agreement to eligibility change, and then you would approve an updated Fees Free tertiary education and training delegation.
 - b. *Student loan borrowing*: Cabinet agreement to eligibility change. MSD will operationalise the change.

⁴ This is based on 60% of the 1,400 being adults and a standard tertiary education participation rate of 10%.

⁵ Note that it will be longer than three years for anyone who goes overseas to live and then returns to live in New Zealand, as the three-year count stops while they are living overseas.

- c. *Student allowances*: Cabinet agreement to eligibility change, and then Cabinet Legislation Committee approves changes to the Student Allowances Regulations 1998 (the Regulations) on the recommendation of the Minister for Social Development and Employment. MSD will operationalise the change.
24. Following Cabinet agreement, further time may be required for MSD and the Tertiary Education Commission to implement these policy changes through their administrative processes.

Settlement support for Afghan evacuees through the education system

25. Afghan evacuees will likely have higher needs for support through English for Speakers of Other Languages (ESOL) provision and general learning support that is also accessed by refugee-background learners.

ESOL and learning support services in the schooling sector

26. A Gazette notice granting domestic status to school-aged evacuees from Afghanistan has been approved and published on 23 September 2021. This will ensure that all school-aged students will have access to education without delay.
27. Families with school age students in temporary accommodation are provided with education and recreation material prepared by Mangere Refugee Education staff. They are also provided with contact details of Ministry of Education Senior Advisors Refugee and Migrant, and Resource Teacher: Learning and Behaviour specialists so that they can ask for support accessing education remotely, and when they arrive in a permanent home.
28. Schools can access the same range of supports for the Afghan evacuees, as other refugee students if needed. Senior Advisors Refugee and Migrant Education are supporting schools to apply for funding and put the appropriate resourcing in place, including bilingual support workers. Funding to support these activities is outlined in Table 1 below. The total additional education costs identified are estimated at \$7.211 million, with immediate costs of \$0.221 million being sought in the joint Cabinet paper, for education packs and some learning support costs.

Tertiary education provision

29. While tertiary education funding is capped, a small growth in the population increasing enrolments over time does not create significant funding pressures and can be met in Vote Tertiary Education baselines. We currently fund over 330,000 learners in tertiary education, so a portion of the additional adult Afghan evacuees accessing tertiary education can be met within baselines.
30. However, additional learner needs of some migrant groups can create funding pressures on ESOL provision. Addressing this for the additional residents from Afghanistan would require \$2.4 million in funding over four financial years for Community Education within the Tertiary Tuition and Training Multi-Category Appropriation. This is for ESOL provision within the funds for Intensive Literacy and Numeracy ESOL and Adult Community Education.

Settlement support costs in the *Resettling Afghan evacuees* Cabinet paper

31. We have been working with MBIE to include education costs alongside the other settlement costs they are outlining in the Cabinet paper. 9(2)(f)(iv)

We are including a portion of costs for Vote

Education and Vote Tertiary Education in that paper, as outlined in the table below. We propose that other costs will be met within baselines (including the proposed change to student support and Fees Free eligibility discussed above).

Table 1: Education costs sought for Afghan evacuees (in \$0.000 million)

| Service | Costs being met in the Resettling Afghan evacuees Cabinet paper | Total costs over 2021/22 to 2025/26 |
|--|--|--|
| <i>Vote Education</i> | | |
| Education packs for new arrivals | 0.075 | 0.240 |
| ESOL support | - | 1.880 |
| Other learning support | 0.146 | 5.091 |
| TOTAL | 0.221 | 7.211 |
| <i>Vote Tertiary Education</i> | | |
| ESOL provision in tertiary (Community Education funding) | 1.182 | 2.411 |
| TOTAL | 1.182 | 2.411 |

Note: These costings are based on there being 1600 Afghan evacuees as advised by MBIE and Treasury. We estimate that 60% of these are adults, in line with the current age groups of the 400 Afghan evacuees who are already onshore in New Zealand. The additional supports in schooling and tertiary reflect the sorts of ESOL related supports that refugee background learners would access.

Next steps

32. Subject to your agreement to the proposed eligibility changes to student support and Fees Free settings, we recommend you include this in MBIE and MFAT's joint Cabinet paper. We have flagged this as a potential further area of inclusion, in addition to seeking funding for ESOL and learning support across the education system.
33. This Cabinet paper is due to be lodged on Thursday, 14 October, for consideration by the Economic Development Committee. This means your feedback is needed urgently to ensure the proposal could be included in the Cabinet paper (subject to your agreement) before it is lodged.