

**Sensitive: Budget**

Office of the Minister of Education

Cabinet Social Wellbeing Committee

**Building COVID-19 resilience through equitable digital access**

**Proposal**

- 1 This paper seeks agreement to a series of actions to ensure over 60,000 children and young people, as well as their whānau, can continue to access the internet through to the end of 2022.<sup>1</sup> This will provide schools and kura with the ongoing flexibility they need to continue responding to Omicron-related disruption to face-to-face teaching and learning, as well as providing broader, ancillary benefits to learners and their whānau.

**Relation to Government priorities**

- 2 This Government is committed to supporting a world-class public education system, with a key focus on reducing barriers to education for all learners. We are also committed to protecting New Zealanders from the health, social and economic impacts of the COVID-19 pandemic.

**Background**

- 3 Since March 2020, the Government has made a series of funding decisions to connect, and keep connected, over 60,000 learner households to the internet [e.g. CAB-MIN-20-0136 refers].<sup>2</sup> This has formed an important component of wider work by the Ministry of Education ('the Ministry') to minimise COVID-19 related disruption to face-to-face teaching and learning and better enable learning from home.
- 4 Most recently, the Cabinet agreed to extend internet subsidies until 30 June 2022, as part of the Ministry of Education's COVID-19 related distance learning package and approved \$20 million to be charged as a pre-commitment against the Budget 2022 operating allowance [SWC-21-MIN-0194].
- 5 Through its commercial processes and negotiations, the Ministry has been able to significantly reduce the cost of connecting learner households in 2021/22 through supplier discounts. A combination of savings and projected underspends up to a total of \$12 million have been identified. Projected underspends are a result of a number of connections still reported by suppliers as 'in-progress' (and therefore not actively being charged).

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<sup>1</sup> The Ministry contracts with internet service providers to allocate connections to households. This process requires both: (a) delivery of a modem (or other hardware); and (b) a usable service being available to the household. Of the approximately 65,000 connections allocated, 41,000 of these remain active with internet service providers (i.e. 'allocated and not rejected') and are estimated to serve at least 60,000 learners.

<sup>2</sup> See above.

- 6 Cabinet previously agreed that any savings achieved in the initial extension to 30 June 2022 should be returned to the centre [SWC-21-MIN-0194]. However, I am, instead, seeking your agreement that this funding be reprioritised towards the extension of any, and all, existing internet connections to allow these learners to continue to have internet connectivity while their face-to-face schooling is disrupted due to COVID.

**Analysis: School sites are open, but distance learning continues in many cases**

- 7 Investment to-date has put in place infrastructure and provided access to the internet for many whānau across the country. However, current contractual arrangements with suppliers are limited to the extent of previous approvals and, accordingly, are due to expire in June 2022 [SWC-21-MIN-0194].
- 8 Under the existing COVID-19 Protection Framework, and the intention that school and kura sites largely remain open for face-to-face teaching and learning, the Ministry has shifted to a more devolved and flexible approach to distance learning support – meaning that they are working to resource and empower schools and kura to directly design and deliver distance and hybrid learning opportunities to make sure they are relevant to their learners, whānau and communities.
- 9 It is, however, the reality of teaching and learning in a pandemic that a significant number of individual learners and teachers are not able to access their classrooms in-person for a time.<sup>3</sup> As a result, I am aware that many schools and kura are delivering some form of distance or hybrid learning as a means to ensure that learning can continue, as seamlessly as possible, from home. I expect this will continue to be the case beyond June 2022.
- 10 This will particularly be the case for disabled children and young people, who are more likely than others to benefit from this proposal. They are more likely to catch COVID, to experience significant symptoms, and be at risk of hospitalisation, and are consequently more likely to be learning from home, even when well.
- 11 While there is uncertainty as to when the current Omicron wave will reach its peak, I believe it is prudent to ensure that learners who are reliant on these subsidised internet connections can continue to benefit from these until the end of the 2022 school year. Taking no further action will result in the disconnection of these households and there is a risk that this will compromise continuity of learning for those relying on this type of support.<sup>4</sup>
- 12 Additionally, if no extension is made beyond June 2022, any subsequent reactivation would incur additional costs. The one-off reactivation cost for all affected households would be around \$7 million.

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<sup>3</sup> Particularly those who are COVID-19 positive but have mild symptoms and can continue teaching and learning, as well as those who may be close contacts and isolating, individuals who are immuno-compromised.

<sup>4</sup> If an extension is not agreed, the Ministry will recommend lower-cost internet providers to all affected households. It will then be up to whānau to consider their own retail service arrangements. While some households may choose to take up a commercial service independently, we do not anticipate high uptake.

- 13 As I have previously reported, this work will provide much needed but temporary relief. It will not resolve longstanding digital equity issues and significant work is underway across government on improving digital inclusion for New Zealanders, and Ministry officials are supporting this work. This is reflected in the draft Digital Strategy for Aotearoa. However, no other solutions are currently available to ensure all students are able to learn online when schools are required to close because of COVID-19. This support therefore needs to be provided through the education system while COVID-19 remains an immediate risk.

### **Financial Implications**

- 14 Your approval is sought to an in-principle expense transfer of non-departmental appropriations within Vote Education to extend the period of subsidy for these internet connections. We propose to make an in-principle expense transfer of up to \$12 million in non-departmental baselines from 2021/22 to 2022/23.
- 15 Your authorisation is required due to your previous decision that any savings achieved in the initial extension to 30 June 2022 should be returned to the centre [SWC-21-MIN-0194].
- 16 This approach will ensure that support can be deployed quickly and flexibly.

### **Legislative Implications**

- 17 There are no legislative implications relating to the matter described in this paper.

### **Proactive Release**

- 18 It is not my intention to proactively release this paper at this time due to commercial sensitivity (relating to procurement activities) and Budget 2022 sensitivity.

### **Recommendations**

The Minister of Education recommends that the Cabinet:

- 1 **note** that, since March 2020, the Government has made a series of funding decisions to connect, and keep connected, over 60,000 learner households to the internet;
- 2 **note** that the Ministry has negotiated savings and identified projected underspends of \$12 million for the Equitable Digital Access project, and that Cabinet previously agreed that any savings achieved in the initial extension to 30 June 2022 should be returned to the centre; however
- 3 **agree**, instead, that the Ministry begin work to extend the period of subsidy for any/all existing internet connections to the end of the 2022 school year; and

**SENSITIVE : BUDGET**

- 4 **agree in principle** to the following transfer to give effect to the policy decision in recommendation 3 above:

Vote Education Expense Transfer in Principle	\$million - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26
<b>Multi-category Expenses and Capital Expenditure:</b>					
Improved Quality Teaching and Learning MCA					
Non-Departmental Output					
Curriculum Support	(12.000)	12.000	-	-	-
<b>Total Operating</b>	(12.000)	12.000	-	-	-

- 5 **authorise** the Minister of Finance and the Minister of Education jointly to agree the final amount to be transferred, following completion of the 2021/22 audited financial statements, with no impact on the operating balance and/or net core Crown debt across the forecast period.

Authorised for lodgement

Hon Chris Hipkins

Minister of Education



# Cabinet

## Minute of Decision

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*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

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### **Report of the Cabinet Social Wellbeing Committee: Period Ended 8 April 2022**

On 11 April 2022, Cabinet made the following decisions on the work of the Cabinet Social Wellbeing Committee for the period ended 8 April 2022:

Out of scope




SWC-22-MIN-0062


**Building COVID-19 Resilience through Equitable  
Digital Access**  
Portfolio: Education

CONFIRMED

Out of scope



Out of scope



Michael Webster  
Secretary of the Cabinet



# Cabinet Social Wellbeing Committee

## Minute of Decision

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### Building COVID-19 Resilience through Equitable Digital Access

**Portfolio**                      **Education**

On 6 April 2022, the Cabinet Social Wellbeing Committee:

- 1        **noted** that since March 2020, the government has made a series of funding decisions to connect, and keep connected, over 60,000 learner households to the internet;
- 2        **noted** that in November 2021, the Cabinet Social Wellbeing Committee took decisions on keeping households connected into the 2022 school year as part of the COVID-19 related distance learning package, including extending internet subsidies until 30 June 2022, and agreed that any savings achieved in the initial extension to 30 June 2022 should be returned to the centre [SWC-21-MIN-0194];
- 3        **noted** that the Ministry of Education (the Ministry) has negotiated savings and identified projected underspends of \$12 million for the Equitable Digital Access project,
- 4        **agreed**, instead of returning savings to the centre, that the Ministry begin work to extend the period of subsidy for any/all existing internet connections to the end of the 2022 school year;
- 5        **agreed in principle** to the following transfer to give effect to the policy decision in paragraph 4 above, **subject to** the report-back in paragraph 6:

Vote Education Expense Transfer in Principle	\$million - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26
<b>Multi-category Expenses and Capital Expenditure:</b>					
Improved Quality Teaching and Learning MCA					
Non-Departmental Output					
Curriculum Support	(12.000)	12.000	-	-	-
<b>Total Operating</b>	(12.000)	12.000	-	-	-

- 6 **authorised** the Minister of Finance and the Minister of Education to jointly agree to the final amount to be transferred, following completion of the 2021/22 audited financial statements, with no impact on the operating balance and/or net core Crown debt across the forecast period.

Jenny Vickers  
Committee Secretary

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**Present:**

Rt Hon Jacinda Ardern  
Hon Grant Robertson  
Hon Kelvin Davis  
Hon Dr Megan Woods  
Hon Chris Hipkins  
Hon Carmel Sepuloni (Chair)  
Hon Andrew Little  
Hon Poto Williams  
Hon Kris Faafoi  
Hon Peeni Henare  
Hon Willie Jackson  
Hon Jan Tinetti  
Hon Dr Ayesha Verrall  
Hon Aupito William Sio  
Hon Priyanca Radhakrishnan

**Officials present from:**

Office of the Prime Minister  
Officials Committee for SWC