

Education Report: Updated draft Cabinet paper – *A Strategic Recovery Plan for the international education sector*

To:	Hon Chris Hipkins, Minister of Education		
Date:	11 June 2020	Priority:	High
Security Level:	In Confidence	METIS No:	1231406
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Messaging seen by Communications team:	No	Round Robin:	No

Purpose of Report

Attached to this briefing is a draft Cabinet paper: *A Strategic Recovery Plan for the International Education sector*. This Cabinet paper has been updated to reflect feedback received through Ministerial consultation and further guidance from the Minister of Finance.

Subject to your approval, it can be lodged as a late paper by Friday 12 June, for consideration by the Cabinet Social Wellbeing Committee (SWC) on Wednesday 17 June and Cabinet on 22 June.

Recommended Actions

The Ministry of Education recommends that you:

- agree** that the updated draft Cabinet paper *A Strategic Recovery Plan for the International Education sector* can be lodged by Friday 12 June, for consideration by the Cabinet Social Wellbeing Committee (SWC) on Wednesday 17 June and Cabinet on 22 June.

☒ **Agree** ☐ **Disagree**

- note** that some aspects of the draft Strategic Recovery Plan have been updated following Ministerial consultation and further guidance from the Minister of Finance on how the next round of the COVID-19 Response and Recovery Fund (CRRF) will be undertaken. Funding will be sought in line with the advice and direction provided.

Noted

- c. **agree** that this briefing and the final Cabinet paper will be proactively released once associated Cabinet decisions and announcements have been made, with any redactions in line with the provisions of the Official Information Act 1982.

Release Not release



Belinda Himiona

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Ministry of Education

11/06/2020



Hon Chris Hipkins

Minister of Education

11/ 6/2020

Background

1. COVID-19 is a major disrupter for international education, creating an opportunity to re-shape international education and accelerate progress towards the vision you set in the International Education Strategy 2018-2030 (the IES) of a thriving and globally connected New Zealand through world-class education.
2. However, without targeted intervention there is significant risk that providers will turn to a 'volume' focused approach to quickly regain lost revenue. Full impacts of COVID-19 on international education are unknown, but will be significant [METIS 1226485 refers].
3. At the International Education Strategy session on Wednesday 20 May you discussed the development of a Strategic Recovery Plan for the international education sector. Following the session, you directed the Ministry to develop a draft Cabinet paper on a proposed Strategic Recovery Plan, and to work with Education New Zealand to further develop a potential budget bid to support aspects of the recovery work.
4. Last week we provided you with a draft Cabinet paper for your feedback and that, subject to your approval, could be circulated for Ministerial consultation [METIS 1228985 refers]. The Cabinet paper:
 - provides an overview of how COVID-19 has impacted the sector and identifies some key issues and opportunities that have arisen as a result; and
 - provides a high level Strategic Recovery Plan that, subject to Ministerial approval and a short period of targeted sector engagement, can be finalised and announced to provide the sector with assurance and direction about how the government will seek to support the sector in the recovery from COVID-19 and the ensuing border restrictions.

Key changes

5. Ministerial consultation has taken place over the last week. The Minister of Finance provided some key comments including identifying linkages with the governance of the Industry Strategy and including a review of how activities that support the sector are funded, with a particular focus on the Export Education Levy and how it is managed. This feedback has been incorporated along with a range of less substantial comments/suggestions.
6. The Minister of Finance has also written to you to provide guidance on how the next round of the COVID-19 Response and Recovery Fund (CRRF) will be undertaken. As a result, the draft Cabinet paper and the proposed supporting investment package have been updated. Changes focus on increasing alignment to the recovery approach for the tourism sector (for example by ensuring investment is more immediate and 'sector focussed'), and activating opportunities to contribute to economic stimulus in New Zealand.
7. Key additions include an immediate targeted assistance fund for high quality Private Training Establishments (PTEs) at risk of closure, s 9(2)(f)(iv) an initiative to temporarily pivot some PTEs to deliver English as a Second Language (ESOL) services to those in need living in New Zealand, s 9(2)(f)(iv)

An immediate assistance fund for PTEs

8. This initiative is focussed on economic stimulus in New Zealand and will provide targeted assistance to selected PTEs to ensure that there is a sector footprint for recovery. s 9(2)(g)(i)

This approach will not seek to support/save all PTEs, but the retention of some of the sector is important to provide a mix of education offerings that support the education sector as a whole. The loss of the sector would mean the loss of critical capability needed for the rebuild and recovery. The initiative is intended to offer support to those PTEs who offer quality education, a unique education offering that is important to attracting/supporting students return, and that do not rely on work rights.

Next steps for Cabinet paper

9. The Cabinet paper can be lodged on Thursday 11 June, for consideration by the Cabinet Social Wellbeing Committee (SWC) on Wednesday 17 June and Cabinet on 22 June.
10. Following this, Education New Zealand and the Ministry of Education will lead a short period of consultation with the sector to inform them of the proposed Strategic Recovery Plan and to discuss the overall approach and sequencing of work following Cabinet approval and funding decisions.

Annexes

s 9(2)(f)(iv)