



## Education Report: Extension of the emergency payment scheme for casual staff in the schooling sector workforce unable to work due to COVID-19 Alert Level 2

<b>To:</b>	Hon Grant Robertson, Minister of Finance Hon Chris Hipkins, Minister of Education Hon Tracey Martin, Associate Minister of Education		
<b>Date:</b>	21 May 2020	<b>Priority:</b>	High
<b>Security Level:</b>	Sensitive, Industrial Relations	<b>METIS No:</b>	1229227
<b>Drafter:</b>	Mark Williamson	<b>DDI:</b>	§ 9(2)(a)
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<b>Messaging seen by Communications team:</b>	No	<b>Round Robin:</b>	No

### Purpose of Report

This paper seeks your approval for the funding necessary to continue support for casual contingent State sector schooling workers (those paid using time-sheet and hired on an “as needed” basis such as day relief teachers and a range of non-teaching staff) who are unable to work due to COVID-19 under Alert Level 2.

### Summary

1. On 7 April the COVID-19 Ministerial Group noted that an emergency ex-gratia payment (“the emergency payment scheme”) would be paid by the Ministry of Education to current casual workers at State or State-integrated schools or kura during the Alert Level 4 lockdown when school sites were closed. The emergency payment scheme included two pay periods, 8 and 22 April 2020 respectively.
2. On 4 May 2020, Cabinet agreed [CAB-20-MIN-0198 refers]:
  - a. the extension of the emergency payment scheme to continue throughout Alert Level 3, recognising the continued disruption to casual staff engaging in normal patterns of work, and the limited alternate support available for this workforce.
  - b. that the scheme would be further extended at Alert Level 2 to provide support where State and State-integrated school employees who are paid using time-sheets and hired on an ‘as needed basis’ who are:
    - i. sick with COVID-19, or are caring for a dependant who is sick with COVID-19; or
    - ii. they are self-isolating, or are caring for a dependant who is self-isolating due to coming into close contact with someone who has COVID-19; or

- iii. they, or a member of their household, are deemed higher-risk to COVID-19 in accordance with public health guidelines.
- 3. Cabinet authorised you to jointly approve further increases to appropriations for up to \$19.000 million to provide further emergency payment support for casual schooling employees at Alert Level 2.
- 4. New Zealand has now moved to Alert Level 2, from 11:59 pm on Wednesday 12 May. Schools have opened to all students for face-to-face learning from 18 May 2020. Consequently, we expect that the demand for relievers and other casual staff will return to normal over time, as schools must accommodate students on-site. Accordingly, the support provided under Alert Level 2 will be provided on application, rather than being paid automatically to casual schooling workers, as has occurred under Alert Levels 3 and 4.
- 5. Updated public health guidance is clear that at Alert Level 2 those who are more vulnerable to COVID-19 can return to work as normal. As under usual settings, employers are obligated to work through any Health and Safety requirements and leave arrangements that apply.
- 6. The nature of casual employment means that many of these workers do not have a regular employer so are precluded from accessing provisions including sick leave and discretionary paid leave.
- 7. The first Emergency Payment under Alert Level 3, made on 6 May, cost approximately \$9.6 million. We expect the second payment under Alert Level 3, to be made on 20 May, to be approximately the same cost. This is in part because it will include payments to a group of 634 part-time teachers who were paid for relief work but were initially miscoded by schools on the payroll and were therefore previously excluded from receiving the emergency payment.
- 8. Under the amended criteria at Alert level 2, the scheme is expected to cost significantly less. We are however unable to estimate this lower cost accurately as access to payments would be on an “as needed” application basis and 25% of the funding set aside for payments under Alert Level 2 is sought at this time.
- 9. In line with advice provided to Cabinet we will review the scheme ahead of 17 June 2020 (the 12 week mark in the Government’s wider wage subsidy scheme) and provide further advice to you taking into account the Government’s position of financial support for other groups of workers still impacted by the pandemic.

## Recommended Actions

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The Ministry of Education recommends you:

- a. **note** that on 4 May 2020, Cabinet approved the COVID-19 emergency payment scheme for casual schooling employees to continue [CAB-20-MIN-0198 refers]:
  - i. during Alert Level 3, on the same basis as Alert Level 4
  - ii. during Alert Level 2 for State and State-integrated school employees who are paid using time-sheets and hired on an ‘as needed basis’ who are:
    - a. sick with COVID-19, or are caring for a dependant who is sick with COVID-19; or
    - b. they are self-isolating, or are caring for a dependant who is self-isolating due to coming into close contact with someone who has COVID-19; or

- c. they, or a member of their household, are deemed higher-risk to COVID-19 in accordance with public health guidelines

Noted

- b. **note** that the final payment under Alert Level 3 was made on 20 May, with payments covering the period up to 18 May, when schools will re-open for onsite instruction for the majority of students

Noted

- c. **note** that the Ministry will open the scheme for applications under Alert Level 2 from 25 May, with support available from 18 May if required

Noted

- d. **note** on 4 May 2020, Cabinet authorised Joint Ministers to appropriate additional funding of up to \$19 million from the COVID-19 Support Contingency to fund the scheme under Alert Level 2 (CAB-20-MIN-0198 refers)

Noted

- e. **approve** the following changes to appropriations to fund leave support for contingent schooling workers and give effect to the policy decisions in recommendations a.ii and d above, with a corresponding impact on the operating balance and net core Crown debt:

Vote Education Minister of Education	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
<b>Departmental Output Expense:</b>					
Support and Resources for Education Provider (funded by Revenue Crown)			-	-	-
<b>Multi-Category Expenses and Capital Expenditure:</b>					
Outcomes for Target Student Groups MCA					
<b>Non-Departmental Output Expense:</b>					
Learning Support	0.266	-	-	-	-
<b>Non-Departmental Output Expenses:</b>					
Primary Education	2.689	-	-	-	-
Secondary Education	1.796	-	-	-	-
<b>Total Operating</b>	<b>4.750</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

☒ Agree ☐ Disagree

- f. **agree** that the proposed changes to appropriations for 2019/20 detailed in recommendation e above be included in the 2019/20 Additional Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply

☒ Agree ☐ Disagree

- g. **agree** that the expenses incurred under recommendation e above be charged against the COVID-19 Response and Recovery Fund established as part of Budget 2020

☒ Agree ☐ Disagree

- h. **agree** that any underspends related to the amounts appropriated in recommendation e above be returned to the Centre

☒ Agree ☐ Disagree

- i. **note** that, should take up of the scheme be higher than expected further funding may be sought

**Noted**

- j. **note** that regular updates will be provided on the scheme during implementation, including an update after Level 2 restrictions have been lifted

**Noted**

- k. **agree** that this paper is proactively released after applications have opened for the support being provided under Alert Level 2.

☒ Release ☐ Not release



Ellen MacGregor-Reid  
Deputy Secretary  
**Early Learning and Student Achievement**  
21/05/2020



Hon Tracey Martin  
**Associate Minister of Education**  
02/06/2020

Hon Grant Robertson  
**Minister of Finance**  
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Hon Chris Hipkins  
**Minister of Education**  
28/5/2020

## Background

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1. Following the Government's announcement of its intention to support continued employment in the State sector throughout the COVID-19 pandemic, and provide minimum levels of income during the Alert Level 4 lockdown period, the Ministry put in place measures to ensure income continuity for education staff in the State and State integrated schooling sector, including the establishment of an emergency payment scheme for casual schooling workers (those paid using time-sheet and hired on an "as needed" basis such as day relief teachers and a range of non-teaching staff).
2. On 4 May Cabinet agreed to extend the scheme beyond Alert Level 4, recognising that at Alert Level 3 employment of casual workers continued to be variable. Funding of \$19 million was appropriated at this time, charged against the COVID-19 Response and Recovery Fund [CAB-20-MIN-0198 refers].
3. Cabinet also agreed the scheme should be extended to apply to casual State and State-integrated workers who are unable to work due to public health guidelines relating to COVID-19 at Alert Level 2.
4. At 11:59 pm on 13 May 2020 New Zealand moved to Alert Level 2, with schools re-opening for onsite instruction for the large majority of students from 18 May 2020. Accordingly, the last payment under Alert Level 3 will be made on 20 May 2020 and will cover the period up to and including 17 May 2020.

## Emergency payments for part-time teachers with additional hours

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5. The emergency measures put in place during Alert Level 4, and extended under Alert Level 3, included payment to part-time teachers who had also worked as day relief teachers during Term 1. This is because these teachers frequently receive a large proportion of their income from casual relief work, which was heavily restricted under the measures taken to control COVID-19 to date.
6. We have become aware of a group of 634 part-time teachers (121 secondary, 34 area and 479 primary teachers) who were paid for relief work but not recorded as such on the payroll, and accordingly they have not previously been included in the emergency payments.
7. These 634 teachers will be included in the emergency payment scheme with the payment calculated on the same basis as for day relief teachers for the four pay periods of the emergency payments during Alert Level 4 and 3. The total cost for this is calculated to be around \$1.276 million. This cost will be met in the funding Cabinet has set aside for payments under Alert Level 3.

## Emergency payment scheme under Alert Level 2

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8. At Alert Level 2 the emergency support will be able to be accessed by eligible State sector employees who:
  - a. Are a current education sector worker, which is defined as workers who have worked on at least one occasion during the current school year for a State and State integrated school or kura; and

- b. Are paid by time-sheet and hired on an “as needed” basis”; and
  - c. Have been negatively affected by COVID-19 as follows:
    - i. they are sick with COVID-19, or are caring for a dependant who is sick with COVID-19
    - ii. they are self-isolating, or are caring for a dependent who is self-isolating due to coming into close contact with someone who has COVID-19.
9. We expect the large majority of workers will now be able to safely work in school settings. However, casual employees who are able to provide evidence that they have been unable to take up work on health grounds due to COVID-19 will also be able to contact the Ministry for support from the scheme.
10. Those workers who meet the criteria would also need to declare at the point of application that they are not concurrently receiving other government support to mitigate the effects of COVID-19 e.g. other wage subsidy schemes.

### Calculation and payment of the leave provided

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11. During usual operations casual workers are employed by schools, with payroll services provided by Education Payroll Limited on behalf of the Ministry of Education. As casual workers often have no single usual employer, at Alert Level 2 the emergency payment scheme will need to be operated by the Ministry, with workers seeking assistance, receiving payment and making inquiries via a central service.
12. During Alert Level 2, people meeting the criteria will need to apply directly to the Ministry. Due to pay period deadlines and manual processing of applications, it is likely there will be some lag between when a person places their application and when they receive payment.
13. Where an application is made that cannot be processed before a pay period deadline, the payment will be made retrospectively in the following fortnight. Payments will be taxable, attract superannuation subsidies, and be subject to other payroll deductions.
14. We currently anticipate the support provided by the scheme will continue for a maximum of 4 weeks under Alert Level 2, in line with the original 12 weeks set down for the Government’s wider wage subsidy scheme.

### Financial Implications

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15. The first emergency payment at Alert Level 3, made on 6 May to around 13,600 casual staff cost approximately \$9.6 million. Given the more targeted nature of the support at Alert Level 2, we anticipate costs to be significantly lower.
16. On 4 May Cabinet authorised the Minister of Finance, the Minister of Education and the Associate Minister of Education to jointly approve appropriations of up to \$19 million to provide emergency support for schooling employees at Level 2. The required funding will be charged against the COVID-19 Response and Recovery Fund established as part of Budget 2020 [CAB-20-MIN-0198 refers].

17. Given the more targeted nature of the support at Alert Level 2, we anticipate a significantly reduced number of people to receive payments than was provided at Alert Level 3 and Alert Level 4. Accordingly, we recommend appropriating \$4.750 million, 25% of the maximum cost at this time, as shown in the table below:

Vote Education Minister of Education	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24& Outyears
<b>Departmental Output Expense:</b>					
Support and Resources for Education Provider (funded by Revenue Crown)			-	-	-
<b>Multi-Category Expenses and Capital Expenditure:</b>					
Outcomes for Target Student Groups MCA					
<b>Non-Departmental Output Expense:</b>					
Learning Support	0.266	-	-	-	-
<b>Non-Departmental Output Expenses:</b>					
Primary Education	2.689	-	-	-	-
Secondary Education	1.796	-	-	-	-
<b>Total Operating</b>	<b>4.750</b>	-	-	-	-

18. If take up of the support provided by the scheme exceeds this amount we will seek your approval for further funding, up to the maximum amount agreed by Cabinet.

## Risks

19. During Alert Level 2 any payments will necessarily be paid retrospectively as employees will need to apply. This means there will be likely be delay in receiving the payment. The impact of any delay is mitigated by support already provided to those who received the emergency payment scheme though the term break, a period they would not otherwise be employed, and payments received during Alert Level 3.

## Communications

20. Detailed communications will be made available via online channels and the school bulletin, regarding the support available under Alert Level 2 and how this can be accessed by eligible schooling workers.

## Next Steps

21. The final payment for emergency support for casual schooling employees will be made on 20 May. Applications for support for eligible employees under Alert Level 2 will open from 25 May, with support able to be claimed with effect from 18 May, where this is required.

22. We will review the scheme by 17 June and provide further advice, taking into account the Government's position of financial support for other groups of workers still impacted by the pandemic at that time.

### Proactive Release

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23. We recommend that this paper is proactively released following the opening of applications for support under Alert Level 2.

Proactively Released