



Education Report: Further extension of the emergency payment scheme for casual staff in the State and State-integrated schooling sector workforce due to the COVID-19 resurgence

To:	Hon Chris Hipkins, Minister of Education		
Date:	4 September 2020	Priority:	High
Security Level:	In confidence	METIS No:	1239421
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Messaging seen by Communications team:	Yes	Round Robin:	No

Purpose of Report

1. This paper seeks your approval to extend the support for casual staff, who are paid by timesheet and work in State and State-integrated schools and kura and whose income has been severely affected by the current COVID-19 resurgence and the extension of Alert Level 3 in the Auckland region to 30 August 2020.

Summary

2. On 21 August, you agreed to the re-establishment of emergency support for day relief teachers and casual schooling staff [METIS 1238627 refers]. Accordingly, we provided an emergency payment to approximately 3,700 workers in the Auckland region for the period 12 to 25 August (paid on 26 August), in line with the temporary wage subsidy scheme established for the COVID-19 resurgence. We have also re-activated support for casual staff who are directly affected by COVID-19 under Alert Level 2. One application for this support has been received to date.
3. The first emergency payment under the re-established emergency payment scheme is forecast to cost \$2.384 million. These costs will be met through re-prioritisation of funding from Vote: Education baselines.
4. On Monday 24 August it was announced that the Auckland region would remain at Alert Level 3 until Sunday 30 August at 11:59pm and the rest of the country would remain at Alert Level 2 until early September.

5. Accordingly, we propose that:

- 5.1. automated support payments will be further extended for day relief teachers and casual schooling workers in the Auckland region under the Alert Level 3 restrictions for the next fortnightly pay period (26 August up to 8 September), at an estimated cost of between \$1 million and \$2.4 million, depending on the degree of support which is required to be provided as schools return to usual attendance; and
- 5.2. day relief teachers and casual schooling workers around the rest of country will be able continue to apply for support under Alert Level 2, if they are directly affected by COVID-19 transmission.
- 6. The amount of support provided will continue to be offset by any casual work which is paid to a worker by a school, as has been the case with the emergency support provided to date.
- 7. These costs will also be met through re-prioritisation of funding within Vote Education baselines

Recommended Actions

The Ministry of Education recommends you:

- A. **Note** that Alert Level 3 in the Auckland region was extended until Sunday 30 August at 11:59pm and some of those paid using time-sheet and hired on an “as needed” basis in the affected area will continue to be unable to return to work or otherwise have their pattern of work significantly restricted under Alert Level 3

Noted

- B. **agree** that the Ministry of Education extend the emergency payment scheme during Alert Level 3 as it applied to the Auckland region for the two week period of 26 August to 8 September, for schooling employees who:

- i. were paid using time-sheet and hired on an “as needed” basis in State or State-integrated schools or kura on at least one occasion during Term 2 and/or 3 (22 April 2020 to 11 August 2020) **and**
- ii. have had their income reduced due to Public Health Guidelines operating at Alert Level 3

Agree Disagree

- C. **note** that the amount of the emergency payment referred to in recommendation B which will be paid to each worker will be offset against the amount of work loaded by a school or kura on the payroll for that worker, after Alert Level 3 restrictions were lifted on 30 August

Noted

- D. **note** that the emergency payment referred to in recommendation B will be automatically paid by the Ministry of Education directly to eligible casual schooling sector employees on 9 September

Noted

E. **note** that the Ministry of Education continue to extend support for State or State-integrated schooling employees who were paid using time-sheet and hired on an “as needed” basis who are unable to work due to Public Health Guidelines operating at Alert Level 2 when:

- i. they are 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 dependent 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

Noted

F. **note** that given the uncertainty around COVID-19, it is difficult to predict how long some form of support may be required, and that, if restrictions within the Auckland region resume, or are extended to further regions, we will provide further advice regarding the support that could be provided to casual workers and how this may be funded

Noted

G. **note** that the estimated cost to provide emergency payments for casual schooling employees for the additional period of the Alert Level 3 lockdown is estimated to be between \$1 million and \$2.4 million, bringing the total funding for emergency payments required due to the COVID-19 resurgence to between \$5.1 million and \$6.5 million

Noted

H. **note** that the emergency payments outlined in recommendation G will be funded from existing Vote: Education baselines as follows (lower bound estimate shown):

Vote Education Minister of Education	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Out years
Multi-Category Expenses and Capital Expenditure:					
Primary and Secondary Education MCA					
Non-Departmental Output Expenses					
Primary Education	2.890	-	-	-	-
Secondary Education	1.930	-	-	-	-
Outcomes for Target Student Groups MCA					
Non-Departmental Output Expenses:					
Learning Support	0.280	-	-	-	-
Total Operating	5.100		-	-	-

Agree / Disagree

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

☒ **Agree** ☐ **Disagree**



Ellen MacGregor-Reid
Deputy Secretary
Early Learning and Student Achievement

4/09/2020



Hon Chris Hipkins
Minister of Education

4 / 9 / 2020

Background

1. You recently agreed to the re-establishment of emergency support for day relief teachers and casual schooling staff [METIS 1238627 refers]. Accordingly, we have provided an emergency payment to approximately 3,700 workers in the Auckland region for the period 12 to 25 August (paid on 26 August).
2. We have also re-activated support for casual staff who are directly affected by COVID-19 under Alert Level 2. One application for this support has been received to date.
3. At 12:00pm on 12 August the Auckland region moved to Alert Level 3 of the COVID-19 alert level system; the rest of the country moved to Alert Level 2. On 24 August it was announced that Auckland would remain at Alert Level 3 until Sunday 30 August at 11:59pm, and the rest of the country would remain at Level 2.
4. As with the support provided to casual workers during previous periods of Alert Level 3 restrictions, a partial or complete loss of income which arises from measures taken to control the transmission of COVID-19 can be a significant disincentive to comply with the Ministry of Health's public health guidance for some workers. Offsetting this risk was a key policy rationale underpinning the original emergency payment provided, and similar Government initiatives such as the COVID-19 Wage Subsidy and COVID-19 Leave Scheme.

During Alert Level 3 or higher

5. We propose that the emergency payment scheme is continued for the remaining Alert Level 3 restrictions, which was up to 30 August.
6. Payments will continue be paid automatically by Education Payroll Limited to all casual workers within the Alert Level 3 zone under the previously established criteria, which is those workers who:
 - 6.1. are a current State or State-integrated education sector worker, which is defined as workers who have worked for a State or State-integrated school or kura on at least one occasion during Term 2 or Term 3 (22 April 2020 up to 11 August 2020) **and**
 - 6.2. have worked variable day relief or casual hours during Term 2 and/or Term 3 of 2020.
7. The payment will continue be calculated at each eligible worker's average variable day relief or casual hours undertaken to date in Terms 2 and 3 (22 April to 11 August 2020).
8. Due to the nature of the Education payroll system payments will be made for the full fortnight of 26 August to 8 September (paid on 9 September). However, as with previous emergency support provision for this workforce, the amount of the payment will be offset by any casual work which is paid to a worker by a school. For example, if the casual worker was able to work at home during the Alert Level 3 extension, the emergency payment they will receive will be offset by payment for this work. Payments will be taxable, attract superannuation subsidies, and be subject to other payroll deductions.
9. The payment will continue to be centrally funded and as such, schools will not be charged.

Emergency payment scheme under Alert Level 2

10. You have previously agreed that, at Alert Level 2, support will be available to casual schooling workers to be accessed on direct application to the Ministry of Education, where an individual declares that they meet have met the previously established criteria for disadvantage due to COVID-19 [METIS 1238627 refers].
11. This will continue during the extended period of Alert Level 2. One application has been received to date.

Financial Implications

12. Approximately 3,700 employees in the Auckland region were supported by the scheme for the period 12 to 25 August, at an approximate maximum cost of \$2.4 million. We expect the costs of the continued scheme to be broadly similar, although potentially lower if schools and kura are able to quickly re-engage casual workers now that Alert Level 3 restrictions are lifted.
13. Accordingly we are now forecasting the full cost of provision of emergency support during the current COVID-19 resurgence to be:
 - 13.1. Provision of emergency support for casual workers under Alert Level 3 from 12 August to 30 August – between \$4.1 million and \$5.6 million
 - 13.2. Provision of support under Alert Level 2 – up to \$1 million.

Risks

14. As with previous support payments these measures 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 continue to 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.
15. Some contingent workers may continue to 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.
16. 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. for Early Learning employees.

Next Steps

17. Communications regarding the extension of the emergency payment scheme will be made available via online channels and the school bulletin.

Proactive Release

18. We recommend that this paper is proactively released.