



Education Report: Delegations to implement one initiative of the International Education Strategic Recovery Plan

To:	Hon Chris Hipkins, Minister of Education		
Date:	30 July 2020	Priority:	High
Security Level:	In Confidence	METIS No:	1235236
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Messaging seen by Communications team:	No	Round robin:	No

Purpose of report

This report seeks your agreement on a mechanism to implement one of the International Education Strategic Recovery Plan initiatives recently agreed to as part of the COVID-19 response. This initiative provides funding to support English Language Schools deliver increased English for Speakers of Other Languages provision.

Recommended actions

The Ministry of Education recommends you:

- a. **note** that Cabinet agreed on 6 July 2020 to \$1.5 million being appropriated for additional provision of ESOL, including for partners and dependents of New Zealand citizens and residents on specific visas who intend to live in New Zealand long-term [CAB-20-MIN-0328.22 refers]
- b. **agree** that English language schools be able to receive funding to provide ESOL provision to domestic students with English language needs and to people who hold one of the following visas:
 - i. Partner of a New Zealander Work Visa
 - ii. Partner of a New Zealander Visitor Visa
 - iii. Child of a New Zealander Visitor Visa
- c. **agree** that at least \$1.5 million of funding from the Community Education category of the Tertiary Tuition and Training Multi-Category Appropriation in Vote Tertiary Education be used by the Tertiary Education Commission to fund English language schools to provide ESOL provision

☒ Agree ☐ Disagree

☒ Agree ☐ Disagree

- d. **note** that visa holders in recommendation (b) are not currently able to access ESOL provision delivered by existing Adult and Community Education providers, as eligibility is restricted to domestic students by the funding determination
- e. **agree** that, to support consistency in access, existing tertiary education providers experienced at delivering Adult and Community Education ESOL provision may also be paid Vote Tertiary Education to provide ESOL provision to those people who hold one of the following visas:
- i. Partner of a New Zealander Work Visa
 - ii. Partner of a New Zealander Visitor Visa
 - iii. Child of a New Zealander Visitor Visa


Agree / Disagree

- f. **sign** the attached draft letter of delegation (attached as Annex One) that, under section 159F(1)(e) of the Education Act 1989, delegates responsibility to the TEC to fund increased ESOL provision to those in need living in New Zealand
- g. **agree** that this paper will be proactively released.

Agree / Disagree


Katrina Sutich
**Group Manager, Tertiary Education
Graduate Achievement, Vocations and Careers**

30/07/2020


Hon Chris Hipkins
Minister of Education

14/8/2020

__/__/__


Belinda Himiona
**Group Manager, International
Graduate Achievement, Vocations and Careers**

30/07/2020

Background

1. The international education sector has been hard hit by COVID-19, and international student numbers and tuition fee revenue have dropped significantly. Preliminary modelling by education agencies suggests that revenue loss in 2020 alone will be around \$600 million. Private Training Establishments (PTEs), especially English language schools, have been particularly impacted. Some have already closed, and others are under considerable financial pressure.
2. On 6 July 2020, Cabinet agreed to a range of initiatives to support the recovery of the international education sector. The first component, a “transition and economic stimulus” phase, includes funding to provide targeted assistance for PTEs (\$9.9 million) and English language schools (\$1.5 million) [CAB-20-MIN-0328.22 refers].

English language schools providing increased provision of English for Speakers of Other Languages (ESOL)

3. As English language schools are more likely to have short-term students than other PTEs, including tourists and work/working holiday visa holders, they have been extremely hard hit by the border closures. We recommend that the \$1.5 million appropriated by Cabinet be used primarily to support English language schools that serve the international education market, through short-term funding for ESOL provision to priority groups already in New Zealand.
4. The \$1.5 million appropriated will also support the uptake of new English language training by expanding the group of learners eligible for the funding. This expansion also helps with upskilling and improving the employability of migrant partners and dependants of New Zealand citizens and residents, who are likely to transition to residency in New Zealand. Of those who held a partnership visa that expired in 2014, 87% were New Zealand residents two years after.
5. ESOL provision funded through the delegation will include some partners of New Zealanders on visas. Partners of New Zealanders are required to be on a visa before transitioning to residency (if partnership criteria is met, including time living with the partner). The funding for English language schools within this delegation will also allow them to receive funding for domestic students.
6. Migrant partners and dependants of New Zealand citizens and residents on visas are not currently eligible for ESOL funded through Vote Tertiary Education. However, this group of people typically have a high rate of transition to residency and citizenship. While many within this group have English language skills, some will need to access ESOL to improve their English language skills to participate in life and work in New Zealand. This funding will help them to meet the everyday English language needs for living and working in New Zealand, and prepare them for further education, training, or employment as they gain work rights or New Zealand residency.
7. To ensure that these particular group of learners will not be disadvantaged if they live in regions without participating English language schools, the TEC will be able to support existing Adult and Community Education (ACE) funded providers of ESOL through the delegation for these specific visa holders as well. This will also provide fairness for tertiary providers already funded through ACE. Without this additional category in the delegation, existing TEC funded providers would have more restricted access to learners than the newly funded English language schools.
8. Funding rates will be set in line with similar ESOL provision that TEC funds already within Community Education. Any fees to be charged to learners must be approved by TEC as part of the application process.

The TEC will administer the funding through a letter of delegated authority

9. To implement this initiative, we have drafted a letter of delegation to the TEC, delegating responsibility to the TEC to administer the funding for ESOL provision, primarily for English language schools (Annex One).
10. We propose that the funding be allocated through a 'per learner hour' rate, determined by the TEC with consideration given to what the providers propose in their application. This is the same way in the TEC allocates funding for other ESOL, and we would expect the TEC to ensure the rate is in line with current rate of similar provision.
11. The letter directs the TEC to publish information about the TEOs that have received funding, including a public list that identifies each TEO funded and the amount received.

Funding source

12. The funding available for English language schools will use \$1.5 million of the funding from the Community Education category of the Tertiary Tuition and Training Multi-Category Appropriation in Vote Tertiary Education in the 2020/21 financial year for this initiative.
13. This is the funding that Cabinet appropriated for this purpose. By enabling over the \$1.5 million to be allocated, this enables the TEC to allocate other funding from the Community Education category, if other funding is available, and there is additional provision that could be delivered through this delegation.
14. The funding available for existing ACE providers of ESOL to use on specific visa holders (partners of NZ citizens or residents), will be existing funding from within the Community Education category. Given people on these specific visas represent a small group compared to recent residents, and that it is limited to this financial year, we do not expect there to be a significant funding needed for this, and it can be met within existing baselines. Given the current border closures, there could be reduced resident arrivals with ESOL needs. Funding that may have supported these learners could instead support partners of New Zealanders, on visas, who are already onshore.

Risks

15. Extending access to Government funded ESOL provision to these specific visa holders may raise expectations that this access will continue past the end of the financial year. It may also raise expectations that this group may become eligible for other Government-funded provision. We propose to mitigate this by clearly communicating that this is time-limited funding.
16. Both the ACE fund and this delegation allow providers to charge fees. There is a risk that English language schools may set high fees for these learners. We have mitigated this by requiring providers to state the amount of fees they intend to charge the learners in their application for the funding. This fee must ensure that they will not charge more than they would for any other learner in the programme of study. Learners will have the option of accessing ESOL provision through current ACE providers, who typically charge low or no fees.

Next steps

English language schools providing increased provision of ESOL

17. We recommend that you sign the proposed letter of delegation attached as Annex One, to enable the TEC to administer the funding. This should then be sent to the Chair of the TEC.

18. If the delegation is approved, the TEC expects English language schools and other organisations to be able to apply for increased provision from 12 August.

Providing support to PTEs of strategic importance

19. As part of the International Education Strategic Recovery Plan, funding was appropriated to support PTEs of strategic importance. We are undertaking targeted consultation with sector peak bodies between Thursday 30 July and Wednesday 5 August on the eligibility and assessment criteria for this funding. We expect to report back to you on the outcomes of the consultation, with a draft delegation letter for you to sign, on Friday 7 August.
20. The TEC expects to be able to open an application process two weeks after receiving the signed delegation letter. They will then evaluate applications for two weeks, so that funding can be paid out as soon as possible.

Proactive release

21. We recommend proactively releasing this report once the letter of delegation is sent to the TEC.

Annexes

Annex One – Delegation to provide increased provision of English for Speakers of Other Languages

Jenn Bestwick
Chair
Tertiary Education Commission
PO Box 27-048
Wellington 6141

Dear Jenn

Delegation to provide increased provision of English for Speakers of Other Languages (ESOL)

I am writing to advise you of my delegation of responsibility to the Tertiary Education Commission (TEC) to administer funding to provide increased provision of English for Speakers of Other Languages (ESOL).

This funding has a dual purpose. The funding will help increase demand for English language training, to be met by English Language Schools currently struggling as a result of the border closure to international students. The funding will also help with upskilling and improving the employability of migrant partners and dependants of New Zealand citizens and residents.

There are two categories of learners eligible to be funded through of this mechanism. All learners must be in New Zealand.

Category A is comprised of people who:

- a. identify as having English language needs; and
- b. hold one of the following visas:
 - i. Partner of a New Zealander Work Visa
 - ii. Partner of a New Zealander Visitor Visa
 - iii. Child of a New Zealander Visitor Visa; and
- c. are 16 years of age or over and not a full-time secondary school student.

Category B is comprised of people who:

- a. identify as having English language needs; and
- b. are a domestic student as defined under section 159 of the Education Act 1989
- c. are 16 years of age or over and not a full-time secondary school student.

Provision should be in line with ESOL provision funded through the Adult and Community Education funding determination. Provision may be online or in person.

Provision must be ESOL, intended to (but not limited to):

- meet the everyday English language needs of people living and working in New Zealand,
- prepare learners for further education or training, or employment, and
- support achievement of the New Zealand Certificate in English Language (NZCEL) or other recognised English tests.

There are two types of eligible providers that may apply to receive funding under this mechanism:

1. Private Training Establishments (PTEs) who:
 - a. are experienced in providing ESOL tuition;
 - b. did not receive funding from Vote Tertiary Education administered by the TEC in 2019; and
 - c. hold a Category 1 External Evaluation and Review (EER) rating from the New Zealand Qualifications Authority (NZQA), as at 1 July 2020.
2. Organisations eligible for Adult and Community Education funding who deliver ESOL provision.

PTEs who meet the criteria outlined in (1) above may receive funding for Category A and Category B learners. I expect the TEC to prioritise these PTEs when allocating funding.

Organisations who meet the criteria outlined in (2) may receive funding for Category A learners only.

The TEC must determine the appropriate total amount of funding for ESOL provision delivered by an organisation under this delegation. The 'per learner hour' amount must be similar to the amount provided to PTEs and community organisations for similar ESOL provision funded under the Adult and Community Education funding determination.

The TEC must attach to funding a condition that an organisation that receives funding under this delegation:

- a. must charge the fees at the level indicated in their application unless otherwise approved by the TEC; and
- b. must charge the same fee to all learners participating in an ESOL programme of study or training funded under this delegation.

Organisations must include the level they intend to set fees at in their application for this funding.

This delegation will utilise funding appropriated within the Community Education category of the Tertiary Tuition and Training Multi-Category Appropriation in Vote Tertiary Education. Funding may be paid for the 2020/21 financial year.

Funding of \$1.5 million, appropriated as part of the International Education Strategic Recovery Plan, can be allocated through this delegation only to PTEs who meet the criteria outlined in (1) above.

I delegate to the Tertiary Education Commission (under section 159F(1)(e) of the Education Act 1989) authority to pay funding:

- to providers who meet the eligibility criteria above;
- to support the ESOL learning needs of Category A and Category B learners;
- in the 2020/21 financial year.

I expect the TEC to:

- place such conditions or other constraints as necessary on the funding given to providers to ensure that this funding is only used for eligible students, and is not used to subsidise students who are not eligible under this delegation;
- place such conditions or other constraints as necessary on the funding given to provider to ensure that provision is appropriate to the English language development needs of the learners;
- develop and publish funding conditions that include a condition or conditions that funding may be recovered from a provider if it has not been, or is not being, used or used appropriately;
- report to me regularly on the provision that has been funding, including number of learners and types of provision accessed;
- publish information on the organisations it has funded, including a public list that itemises each organisation that is funded, and how much funding they have received.

This delegation applies from the date of this letter until 30 June 2021.

The TEC may exercise any of its administrative functions as required to give effect to this delegation outside of those dates.

Yours sincerely

Hon Chris Hipkins
Minister of Education

Jenn Bestwick
Chair
Tertiary Education Commission
PO Box 27-048
Wellington 6141

Dear Jenn

Delegation to provide increased provision of English for Speakers of Other Languages (ESOL)

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There are two categories of learners eligible to be funded through of this mechanism. All learners must be in New Zealand.

Category A is comprised of people who:

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- b. hold one of the following visas:
 - i. Partner of a New Zealander Work Visa
 - ii. Partner of a New Zealander Visitor Visa
 - iii. Child of a New Zealander Visitor Visa; and
- c. are 16 years of age or over and not a full-time secondary school student.

Category B is comprised of people who:

- a. identify as having English language needs; and
- b. are a domestic student as defined under section 159 of the Education Act 1989
- c. are 16 years of age or over and not a full-time secondary school student.

Provision should be in line with ESOL provision funded through the Adult and Community Education funding determination. Provision may be online or in person.

Provision must be ESOL, intended to (but not limited to):

- meet the everyday English language needs of people living and working in New Zealand,
- prepare learners for further education or training, or employment, and
- support achievement of the New Zealand Certificate in English Language (NZCEL) or other recognised English tests.

There are two types of eligible providers that may apply to receive funding under this mechanism:

1. Private Training Establishments (PTEs) who:
 - a. are experienced in providing ESOL tuition;
 - b. did not receive funding from Vote Tertiary Education administered by the TEC in 2019; and
 - c. hold a Category 1 External Evaluation and Review (EER) rating from the New Zealand Qualifications Authority (NZQA), as at 1 July 2020.
2. Organisations eligible for Adult and Community Education funding who deliver ESOL provision.

PTEs who meet the criteria outlined in (1) above may receive funding for Category A and Category B learners. I expect the TEC to prioritise these PTEs when allocating funding.

Organisations who meet the criteria outlined in (2) may receive funding for Category A learners only.

The TEC must determine the appropriate total amount of funding for ESOL provision delivered by an organisation under this delegation. The 'per learner hour' amount must be similar to the amount provided to PTEs and community organisations for similar ESOL provision funded under the Adult and Community Education funding determination.

The TEC must attach to funding a condition that an organisation that receives funding under this delegation:

- a. must charge the fees at the level indicated in their application unless otherwise approved by the TEC; and
- b. must charge the same fee to all learners participating in an ESOL programme of study or training funded under this delegation.

Organisations must include the level they intend to set fees at in their application for this funding.

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- in the 2020/21 financial year.

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Yours sincerely

Hon Chris Hipkins
Minister of Education