



16 MAY 2018



Dear 

Thank you for your email of 15 March 2018 requesting 43 reports. Your request is being considered under the Official Information Act 1982 (the Act). Due to the number of reports to be assessed, the Ministry intends to respond to your request with a series of information releases. This information release contains five reports:

- *Update on Teach First NZ.*
- *Further Advice on Teacher Supply Initiatives.*
- *Charter Schools Legal Matters.*
- *Supplementary Information on Teacher Supply Initiatives.*
- *Teacher supply and vacancies.*

Your request is being considered under the Official Information Act 1982 (the Act).

The first paper is released with information withheld under the following sections of the Act:

- 9(2)(a), to protect the privacy of natural persons;
- 9(2)(b)(ii), as the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information;
- 9(2)(f)(iv), to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials;
- 9(2)(g)(i), maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any department or organisation in the course of their duty;
- 9(2)(i), to enable a Minister of the Crown or any department or organisation holding the information to carry out, without prejudice or disadvantage, commercial activities.

The second paper is released with information withheld under the following sections of the Act:

- 9(2)(a), to protect the privacy of natural persons;

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- 9(2)(f)(iv), to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials;
- 9(2)(j), enable a Minister of the Crown or any department or organisation holding the information to carry on, without prejudice or disadvantage, negotiations.

The third paper is withheld in full under the following sections of the Act:

- 9(2)(j), enable a Minister of the Crown or any department or organisation holding the information to carry on, without prejudice or disadvantage, negotiations;
- 9(2)(h) to maintain legal professional privilege.

The fourth paper is released with information withheld under the following sections of the Act:

- 9(2)(a), to protect the privacy of natural persons;
- 9(2)(j), enable a Minister of the Crown or any department or organisation holding the information to carry on, without prejudice or disadvantage, negotiations.

The fifth paper is released with information withheld under the following sections of the Act:

- 9(2)(a), to protect the privacy of natural persons;
- 9(2)(f)(iv), to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials;
- 9(2)(i), to enable a Minister of the Crown or any department or organisation holding the information to carry out, without prejudice or disadvantage, commercial activities.

All four of the papers on teacher supply initiatives include Budget 2018 sensitive information, much of which, unless otherwise publicly announced, is withheld under section 9(2)(f)(iv) of the Act.

It is important to note that much of the advice in the first two teacher supply papers was very early advice that was formed right after the swearing in of the new government. This advice has been altered in part or in its entirety refined as policy work has continued. The 'Teacher supply and vacancies' paper in particular is a more up to date representation of Ministry generated advice on this subject.

You have the right to ask an Ombudsman to review this decision. You can do this by writing to [info@ombudsman.parliament.nz](mailto:info@ombudsman.parliament.nz) or Office of the Ombudsman, PO Box 10152, Wellington 6143.

Yours sincerely



Ellen MacGregor-Reid  
**Deputy Secretary**  
**Early Learning and Student Achievement**

## Education Report: Update on Teach First NZ

To:	Minister of Education		
Date:	1 November 2017	Priority:	Medium
Security Level:	In Confidence	METIS No:	1085060
Drafter:	[REDACTED]		
Key contact and number:	John McKeefry [REDACTED]	Round robin:	No
Messaging seen by Communications team:	N/A	[REDACTED]	

### Purpose of report

This paper seeks your agreement for the Ministry of Education to reinstate the payment of Teach First NZ participants' *tuition and student service fees* for the 2018 cohort, at a total cost of [REDACTED] s 9(2)(f)(iv) OIA

It also provides background information about the quality assurance process for approving Unitec as Teach First NZ's Initial Teacher Education provider.

### Summary

- 1 Teach First NZ have raised concerns that the reduced funding model agreed in Budget 2017 may create disincentives for potential participants. This is because participants are now required to cover the cost of their *tuition and student service fees* which amount to [REDACTED] s 9(2)(i) OIA
- 2 Teach First NZ has proved to be an effective programme, is well-regarded and has undergone robust quality assurance processes before being approved. Teach First NZ and Unitec are well placed to continue to deliver a high-quality programme.
- 3 There is sufficient flexibility within current appropriations to provide transitional funding to support the 2018 cohort, [REDACTED] s 9(2)(f)(iv) OIA

### Recommended Actions

The Ministry of Education recommends you:



a. **note** that Unitec has been through a rigorous process to be approved as an Initial Teacher Education provider

s 9(2)(f)(iv) OIA

Noted

b. **agree** that the Ministry of Education provides [REDACTED] to cover *tuition and student service fees* for the 2018 cohort only of Teach First NZ

Agree / Disagree

[REDACTED]

Noted

s 9(2)(f)(iv) OIA



Ellen MacGregor-Reid  
**Deputy Secretary**  
Early Learning and Student Achievement

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Hon Chris Hipkins  
**Minister of Education**

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## Background

1. Teach First NZ (Teach First) is an employment-based Initial Teacher Education (ITE) programme delivered in partnership with the global Teach First organisation and Unitec.
2. 105 teachers were recruited through the programme between 2013 and 2017. Budget 2017 provided \$5.2m over four years to fund Teach First NZ (Teach First) to deliver two further cohorts of 45 trainee teachers in 2018 and 2019.
3. As part of the Budget package we made changes to the funding model to make the programme more cost-effective, including:
  - a. ceasing payment of trainees' *'tuition and student service fees'* (TSSF)
  - b. reducing the trainee 'non-contact time subsidy' from 0.4 FTTE to 0.2 FTTE.
4. s 9(2)(i) OIA [REDACTED] Teach First are concerned that requiring participants to cover these costs may disincentivise high-quality potential trainees from joining the scheme. The Ministry had previously identified this as a potential risk arising from the reduction in funding, but considered that it would be mitigated by the fact that participants would:
  - a. have living costs paid for the initial residential training period
  - b. receive .8 FTTE salary while on placement
  - c. be highly likely to experience positive employment outcomes after completing the programme [METIS 1054090 refers].
5. The Ministry advised Teach First that funding would be changing for the 2018 and 2019 cohorts. However, Teach First carried out some recruitment activity before full details of the new funding model were available, and approximately 30 participants have been provisionally accepted without being aware of the new requirement to cover TSSF costs.
6. Teach First have therefore asked the Ministry to consider to reinstate payment of the TSSF component. The cost of this would be [REDACTED] for the 2018 cohort.

s 9(2)(f)(iv) OIA

## Assessment of Request

### Overall assessment

7. The programme continues to receive a high degree of interest from potential participants, and it is difficult to assess whether the TSSF component will affect the number or quality of participants. For participants who were already considering teaching as a career option, Teach First provides the highest level of financial support of any pathway and is high-status, which is likely to ensure a healthy pipeline of applicants.
8. Teach First have asked the provisionally-accepted 2018 cohort about whether the requirement to pay TSSF costs would have acted as a deterrent to them applying for

the programme, and participants have confirmed that this would have caused them to reassess their options.

9. On balance we think that providing funding to cover TSSF costs for the 2018 cohort is manageable within baselines, and we are keen to support the programme given its effectiveness. External evaluation reports have been largely positive and have underlined the programme's potential to positively impact on student achievement.
10. In reaching this conclusion we have taken into account:
  - a. the relatively small cost of the TSSF component in comparison to the overall funding envelope provided in Budget 2017<sup>1</sup>
  - b. the potential trade-off whereby provisionally-accepted or participants reconsider their involvement in the programme, thus lowering the overall quality of the 2018 cohort.

s 9(2)(g)(i), s 9(2)(f)(iv) OIA

11.

#### *Other options considered*

12. We also considered the following options to address Teach First's concerns:
  - a. **participants fund TSSF costs through a student loan:** most Teach First participants are already highly qualified and likely to have existing student loans. The requirement to take on further student loan debts may reduce the attractiveness of the scheme.
  - b. **participants fund TSSF costs via Teach NZ scholarships:** TeachNZ scholarships are only available for teachers of STM subjects and Te Reo Māori. Approximately 30% of participants are studying outside of these subjects and would not be eligible for scholarships.
  - c. **reduce the size of the 2018 cohort from 45 to 40:** this would allow the scheme to be delivered within the available budget but would reduce the number of schools and students that would benefit from the programme. This change would also require Cabinet approval to adjust appropriations.

#### Partnership with Unitec

13. We also considered Teach First's partnership with Unitec as its Initial Teacher Education (ITE) provider. Based on the information available to us from NZQA and the Education Council we are confident that both Unitec and Teach First are well placed to deliver the Teach First programme to a high standard.
14. In 2016 NZQA undertook an 'External Evaluation Review' (EER) of Unitec, which assessed Unitec's performance against set criteria. The EER found that:
  - a. learners' achievement was rated **good**

<sup>1</sup> The funding sought is approximately 6.9% of the total funding package.



- b. the value of outcomes for learners and stakeholders was rated **good**
  - c. how programmes and activities match the needs of learners and stakeholders was **good**
  - d. the quality of teaching was **good**
  - e. governance and management was **good**.
15. The Master of Teaching and Education Leadership qualification and employment-based programme was reviewed by a panel comprising NZQA and Education Council representatives, which:
- a. assessed Unitec's capability to deliver the programmes
  - b. managed the evidence submission and compliance processes
  - c. approved and accredited Unitec as an ITE provider.
16. The process for approving new ITE programmes is rigorous, and compliance requirements are comprehensive. For a programme to be approved it must demonstrate that the programme is underpinned by a "common, clear vision of good teaching that permeates all coursework and practical teaching experiences, creating a coherent set of learning experiences for student teachers."<sup>2</sup>
17. NZQA and the Education Council considered the programme materials in a pre-assessment step before the approval panel met in October 2017. The two agencies agreed that Unitec had met all submission requirements and criteria, and the programme was jointly-approved by the Chief Executives of NZQA and Education Council.
18. We also took into account that Teach First is a high-profile organisation with a history of delivering quality programmes. It is unlikely that Teach First would be willing to take any reputational risk when selecting ITE providers to partner with.

## Financial Risks

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### *Affordability*

19. Funding can be reprioritised from the 'Teacher Trainee Scholarships' appropriation, which comprises Teach First and the Voluntary Bonding Scheme (VBS). In calculating affordability we have assumed that recent attention to the VBS will result in increased costs.
20. If demand is higher than we have allowed for it will start to put pressure on this appropriation. To mitigate this risk we will ensure that our upcoming advice on extending the VBS (expected in October 2017) includes a funding contingency to ensure we can meet demand for the VBS and the costs of the TSSF component.

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<sup>2</sup> (Approval, Review and Monitoring Processes and Requirements for Initial Teacher Education Programmes, Education Council, October 2010).



s 9(2)(f)(iv) OIA



### Next Steps

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23. If you agree to the proposed approach we will notify Teach First and work with them

s 9(2)(f)(iv) OIA

## Education Report: Further Advice on Teacher Supply Initiatives

<b>To:</b>	Minister of Education		
<b>Date:</b>	10 November 2017	<b>Priority:</b>	High
<b>Security Level:</b>	In Confidence	<b>METIS No:</b>	1089892
<b>Drafter:</b>	[REDACTED]		
<b>Key contact and number:</b>	John McKeefry [REDACTED]	<b>Round robin:</b>	No
<b>Messaging seen by Communications team:</b>	N/A s 9(2)(a) OIA		

### Purpose of report

- 1 This briefing responds to your request for further information about teacher supply, including workforce data; options and associated costs to scale the Voluntary Bonding Scheme; and information and costings about a range of other initiatives to ease teacher supply challenges.

### Summary

- 2 The supply of teachers is tightening in certain locations, subjects and parts of the sector including Auckland, STM subjects and te reo Māori. This is being exacerbated by high lapse rates of beginning teachers not employed in permanent positions and a shrinking pool of reliever teachers.
- 3 Under current settings we are likely to need approximately 300 new teachers each year in Auckland on top of current new graduate numbers to meet forecast roll growth.
- 4 We have identified two initiatives that can be in place in 2018:
  - a. Expanding the Voluntary Bonding Scheme to decile one-three Auckland state and state-integrated schools from 2018 (expanding eligibility to up to 300 teachers per year).
  - b. Increasing the size of the 2018 cohort of the Auckland Beginning Teacher Project (up to 20 primary teachers in 2018).
- 5 You will need to seek Cabinet approval to fund both initiatives from the between-Budgets contingency, and you will need to seek Cabinet approval to expand the Voluntary Bonding Scheme. Should you wish to proceed, we will develop a paper for you to take to Cabinet.
- 6 We can also work with the Education Council to reprioritise underspends from the induction and mentoring programme to subsidise the Teacher Education Refresher. We can also seek to subsidise this programme through the Budget process should the Council prefer to continue with the induction and mentoring programme.
- 7 By seeking funding this year, you will be able to make a pre-Christmas announcement.

- 8 In addition, we have also identified initiatives that could be in place in 2019:
- a. Funding additional cohorts of the Auckland Beginning Teacher Project (up to 80 primary teachers each year for four years).
  - b. extending the Teach First NZ programme by increasing the 2019 cohort from 45 to 80 and funding cohorts of 100 from 2020 onwards (up to 35 secondary teachers in 2019 and 100 teachers yearly after that)
- 9 You will be able to seek funding for both initiatives through Budget 2018. We will be talking to you later this month on how we can achieve all of your priorities within the fiscal plan, including decisions on teacher supply.
- 10 Further areas we can look into are:
- a. Supporting the recruitment of new teachers in upper primary and secondary schools through a programme similar to the Beginning Teacher Project.
  - b. Introducing new employment-based initial teacher education programmes by inviting tenders to deliver employment-based programmes from providers.
- 11 Further thinking is needed on these areas (there are likely to be funding requirements and potentially implications for the 2019 Staffing Orders). We can report back to you on these later this year.

## Recommended Actions

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The Ministry of Education recommends you:

- a. **note** that you have indicated you intent to develop a pre-Christmas supply package that has the potential to make an immediate impact on teacher supply challenges
- b. **note** that we have identified a number of options for making an impact on teacher supply challenges some of which can be implemented in time for the 2018 school year while others can be implemented for the 2019 school year

*2018 school year*

- c. **agree** to either
  - i. **expand** the voluntary Bonding Scheme to all Auckland state and state-integrated schools from 1 January 2018 as previously announced

**Agree / Disagree**

- ii. **expand** the Voluntary Bonding Scheme to decile one-three Auckland state and state-integrated schools from 2018

**Agree / Disagree**

- iii. **not to extend** the Voluntary Bonding Scheme and remain with current settings

**Agree / Disagree**



d. **note** that you will need to seek Cabinet approval this year to change eligibility of the Voluntary Bonding Scheme and to fund the expansion from the between-Budgets contingency

e. **agree** to seek fund an additional 20 places on the 2018 Beginning Teacher Project

**Agree / Disagree**

f. **note** that you will need to seek Cabinet approval this year to fund the additional 20 placed from the between-Budgets contingency and we will provide you with finalised costings and a paper to take to Cabinet

g. **agree** to explore options to subsidise the Teacher Education Refresher with the Education Council, including reprioritising underspends from the Education Council's induction and mentoring programme

**Agree / Disagree**

h. **note** that we can also seek funding to subsidise the Teacher Education Refresher through the between-Budgets contingency

*2019 School year*

i. **agree** to seek, through Budget 2018, funding for four additional cohorts of the Auckland Beginning Teacher Project

**Agree / Disagree**

j. **agree** to seek through Budget 2018 funding to increase the size of the 2019 cohort of Teach First NZ to 80 (35 additional places)

**Agree / Disagree**

k. **agree** to seek through Budget 2018 ongoing funding for cohorts of 100 of Teach First NZ

**Agree / Disagree**

l. **note** that we will discuss the development of a supply package with Treasury once we have discussed these options with you on Wednesday 15

*Further work*

m. **indicate** whether officials should undertake further work on exploring options to support beginning teachers in upper primary and secondary schools and seek more providers of employment-based ITE

  
Ellen MacGregor-Reid  
**Deputy Secretary**  
**Early Learning and Student Achievement**

Hon Chris Hipkins  
**Minister of Education**

10/11/2017

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## Workforce Data

1. The supply of teachers is tightening in certain locations, subjects and parts of the sector including Auckland, STM subjects and te reo Māori. Tightening supply conditions are exacerbated by falling ITE enrolments and high lapse rates for beginning teachers not employment in permanent positions [METIS 1089061 refers].
2. We have limited data about the supply of teachers and have concerns about the quality of some data sources. We are currently working to strengthen and improve insight into the workforce, for example through external validation of Ministry datasets and creation of new and more meaningful data sets.
3. Under current settings we are likely to need approximately 300<sup>1</sup> new teachers each year in Auckland on top of current new graduate numbers to meet forecast roll growth. In the short term (i.e. until 2020) the majority of additional teachers will be needed in the primary sector. We expect this demand to shift to the secondary sector from 2019 and 2020 as the current population boom moves through to secondary schools. This will likely come through as increased demand in some subjects.
4. Changes to policy settings (for example increases to release time or the number of teachers moving into Communities of Learning | Kāhui Ako leadership roles) will contribute to demand for teachers. Relieving teachers are traditionally the first source of supply in response to increased demand, and current workforce data shows a reduction in the pool of relieving teachers as they move into more full-time roles.
5. You asked how increases in teacher headcount in Auckland since 2006 compared with increases in student headcount. The data show that for Auckland:
  - a. the percentage increase in teacher headcount was proportionally higher than the increase in student headcount between 2006 and mid-2013
  - b. since mid-2013 the headcount of teachers in Auckland has been increasing<sup>2</sup> but at a comparatively slower rate than the increase in student headcount, consistent with a tightening supply situation.

### Transition from Initial Teacher Education to employment

6. Workforce data show that retention rates for new teachers (i.e. teacher in the first one-three years of their career) are lower than more experienced teachers, across all role types.

Retention rates for new and experienced teachers by employment type – 2016		
Job type	0-3 years tenure	4+ years tenure
Permanent Full Time	94.2%	96.8%
Fixed Term	87.2%	92.6%
Relieving	52.9%	81.9%

7. There are a range of factors that contribute to this:
  - a. a perception that graduates are unprepared for the classroom, and will need significant time and investment to be able to teach effectively

<sup>1</sup> The number of additional teachers required fluctuates between 250 and 400 over approximately the next 20 years.

<sup>2</sup> With the exception of a short period of negative growth around 2014.

- b. employment practices of schools – for example preferring to hire experienced teachers over beginning teachers
  - c. fluctuating rolls creating uncertainty around future staffing entitlement
  - d. negative experiences of teaching (e.g. lack of quality induction and mentoring and personal support).
8. Of the 1,134 beginning teachers in Auckland in 2016, approximately 70% were employed in fixed term or relieving work. Teachers in permanent full time roles tend to have an average FTTE of very nearly 1 FTTE while those in fixed term have an average FTTE of around 0.8. Relieving teachers have an average FTTE of around 0.3. Lifting the level of employment of new teachers to permanent full-time roles would make a small but immediate impact on teacher supply in Auckland schools. It is also likely to boost retention for beginning teachers (see table above).
  9. There are a number of initiatives in place to help retain graduate teachers, including to improve the quality of ITE and raise the status of the profession; as well as discrete initiatives focused on graduate teachers such as the Auckland Beginner Teachers Project and Teach First NZ. Achieving the shift set out above will likely also require a commitment to changing employment practices.
  10. Principals frequently report that they do not receive applications from beginning teachers that meet their minimum expectations for quality and capability. The range of issues they identify include:
    - a. variable quality of programmes of ITE
    - b. variable quality of graduates
    - c. a lack of breadth and depth of curriculum knowledge
    - d. concerns about the readiness to teach
    - e. a mismatch between beginning teachers experience and the year level they are seeking to teach
  11. Quality improvements that ensure every graduating teacher is perceived to be ready to teach across subject areas and across a range of ages of students requires ongoing improvement to the requirements set by the Education Council, their application to initial teacher education and the investment from ITE providers in change.
  12. Proposed improvements by the Education Council to both the requirements for ITE and the expectation that all ITE graduates can meet the new standards (with support) will improve the quality of graduates.

### Voluntary Bonding Scheme

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13. The Voluntary Bonding Scheme (VBS) is a financial payment available to recent graduates who work in schools that are defined as hard-to-staff.<sup>3</sup> The Scheme is either paid toward a teacher's student loan or in cash if they do not have a student loan. It

<sup>3</sup> Cabinet defined hard-to-staff as all decile one schools and schools with an isolation index of 2.0 [CBC-08-MIN-3214 refers]. From time to time some shortage subjects were included in the definition, but this was removed in 2013 due to an oversupply of teachers [METIS 702494 refers].



encourages teachers to work in hard-to-staff schools by providing a competitive recruitment advantage and aids teachers to pay off their student loan.

14. To be eligible for the VBS a teacher must be employed in a role of at least 0.5 FTTE in an eligible school within 12 months of completing their teaching qualification, and remain working in an eligible school. This enables teachers who work part-time or on short-term contracts to move between eligible schools and still receive VBS payments provided they work in roles of 0.5 FTTE or more.
15. The VBS is not automatic – teachers must apply for each payment within 12 months of completing their third (\$10,500 before tax), fourth (\$3,500 before tax) and fifth (\$3,500 before tax) year teaching.
16. The VBS has been significantly underspent since it was introduced:

Summary of the VBS budget (\$m)						
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Budget	5.290	5.290	3.018	3.018	3.194	1.000
Payments made	2.082	1.524	1.064	0.735	0.791	0.734
<b>Surplus</b>	<b>3.207</b>	<b>3.765</b>	<b>1.954</b>	<b>2.283</b>	<b>2.403</b>	<b>0.265</b>

17.

s 9(2)(f)(iv) OIA

### Options for Extending the Voluntary Bonding Scheme

*Option 1: Extension to all state and state-integrated Auckland schools*

18. In September 2017 the previous Minister of Education announced that the VBS would be reviewed and that, as part of this review, the VBS would be extended to all schools in Auckland.
19. Extending the VBS could see up to 800 teachers eligible, with first VBS payments made in 2021/22 as follows:

	2021/22	2022/23	2023/24	2024/25 + Outyears	4-Year Total
<b>Funding from baselines</b>	1.000	1.000	1.000	1.000	4.000

s 9(2)(f)(iv) OIA

20. Auckland principals have reported that the previous Minister's announcements have led to an expectation that they will be able to use the expanded Voluntary Bonding Scheme as a recruitment incentive from 1 January 2018. The Scheme is likely to be well received, but there will be trade-offs given the potentially high cost of extending the Scheme for a limited return on teachers who are already working in Auckland.

<sup>4</sup> We forecasted for high, medium and low scenarios of uptake. This is the Medium scenario.

21. However, decile one schools have raised concerns that extending the VBS to all schools removes the incentive to work in decile one schools and will create new recruitment challenges. While this could be mitigated by fewer or smaller payment to deciles two-ten schools, it would add complexity, increase administrative burden and could create problems in the future if the decile system is replaced.
22. On balance, we do not recommend proceeding with the extension to all schools in Auckland, because:
  - a. the VBS does not incentivise schools to employ beginning teachers in permanent roles so will not impact on the number of beginning teachers employed in the types of roles that have the highest retention rates
  - b. there is significant deadweight cost associated with providing financial incentives for employment decisions that have already been taken.
23. Extending the VBS to all state and state-integrated schools in Auckland would represent a significant proportion of any potential spending on teacher supply. Other initiatives outlined below could have a greater impact on some the key recruitment and retention issues identified (i.e. securing permanent employment and quality of induction mentoring and support).

*Option 2: Extend eligibility to all decile one-three state and state-integrated Auckland schools*

24. If you wish to pursue expanding the VBS, you could do so by limiting the expansion to decile one through to three Auckland state and state-integrated schools.
25. Based on current settings and levels of demand, extending eligibility to all decile one through to three schools would mean up to 300 teachers eligible for VBS and receiving payments in the 2021/22 financial year. The total cost would be:

	2021/22	2022/23	2023/24	2024/25 + Outyears	4-Year Total
<b>Funding from baselines</b>	1.000	1.000	1.000	1.000	4.000

s 9(2)(f)(iv) OIA

26. This option would provide broader coverage across Auckland but would preserve the competitive advantage for low-decile schools. However, this could also have an impact on recruitment in neighbouring regions as more graduate teachers may choose to move to Auckland to take advantage of the VBS.
27. If you wished to proceed with extending the VBS we think this option provides the best balance between cost and identified trade-offs. You will need to seek Cabinet approval to the expansion and to fund the initiative from the between-Budgets contingency this year should you wish this expansion to take effect from 2018.
28. We currently use decile as a proxy for hard-to-staff. Should you continue with the review of the decile system, we will need to develop a new measure of hard-to-staff.

## Support for Beginning Teachers

### Auckland Beginner Teachers Project

29. The Beginner Teachers Project (BTP) is a joint initiative with the Auckland Primary Principals' Association (APPA) that was announced in August 2016 as part of a \$5.2m package to boost supply in high-demand subjects and locations.
30. The BTP employs beginning teachers in permanent or fixed-term roles in Auckland primary schools and supports them through to full certification. To be eligible, schools must demonstrate sufficient roll growth in years one-four to generate an additional teacher during the year; sign an agreement with the Ministry to committing to employ the teacher for at least two years; and provide high-quality induction and mentoring, supporting the teacher through to full certification.
31. Participating schools receive half the beginning teacher's salary in cash (\$24,000), which is intended to support the induction and mentoring programme. An initial cohort of 37 beginning teachers began in 2017, and a further cohort of 40 will begin in 2018. BTP participant teachers may also be eligible for the VBS provided they meet the requirements.
32. Evidence is increasingly demonstrating that quality induction and mentoring makes a significant difference in teachers' satisfaction, growth and retention.<sup>5</sup> The BTP directly addresses the factors that affect beginning teacher retention through providing certainty of employment, high-quality induction and mentoring support and a guaranteed path to full certification.
33. We have contracted the New Zealand Council for Educational Research (NZCER) to evaluate the BTP. The first evaluation will be available in early 2019.
34. If you wished to extend the BTP, we suggest providing for four more cohorts, which would provide an opportunity to reflect on the optimal funding and system settings required to maximise beginning teacher employment, and deliver high-quality induction and mentoring programmes that lift retention. It would also provide evidence to inform your thinking about a future guaranteed placement scheme as per your policy agenda.

### Options for expanding the Auckland Beginner Teachers Project

35. You could expand the BTP by one or both of the following:
  - a. increasing the size of the 2018 cohort
  - b. funding additional cohorts of 40 (or more) from 2019.
36. New funding would be required to extend the BTP. If you wish to increase the size of the 2018 cohort (by 20 at a one-off cost of \$480,000), you will need to seek funding this year through the between-Budgets contingency. This will require Cabinet approval.
37. In addition, you can seek funding through the Budget process to fund the BTP from 2019. The table below shows various options for scaling the BTP from 2019:

Cohort Size	Cost
40	0.960
80	1.920

<sup>5</sup> NZCER 2016 *Supporting a system-wide shift from advice to guidance to educative mentoring*



120	2.880
160	3.840

38. We received more applications than places for the 2018 cohort. On this basis there is likely to be sufficient demand for cohorts of 80. Four cohorts of 80 from 2019 would cost:

2018/19	2019/20	2020/21	2021/22 + Outyears	4-Year Total
[REDACTED]				

39. While there are sufficient primary ITE graduates to fill places in the BTP,<sup>6</sup> we do not know how many of these graduates are seeking positions teaching year one to four classes. This may mean that there is an upper limit to cohort size, but further investigation would be required to clarify this point.

### Options for supporting recruitment at upper primary and secondary schooling

40. We could investigate a similar programme for upper primary and secondary schooling from 2019 (i.e. to support recruitment and induction and mentoring programmes of beginning teachers). However this would require different funding arrangement as these schools do not experience roll growth throughout the year as primary schools do.
41. It is timely to investigate this option as data show that teacher supply challenges driven by population growth will flow through to the secondary sector from 2019 [METIS 1089061 refers].

42.

[REDACTED]
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43. If you wish to pursue this option, we will work with secondary sector organisations to design such a scheme and provide advice on policy and costings, including identifying timing of Cabinet approval and Budget processes.

### Employment-based Initial Teacher Education

#### Expanding Teach First NZ

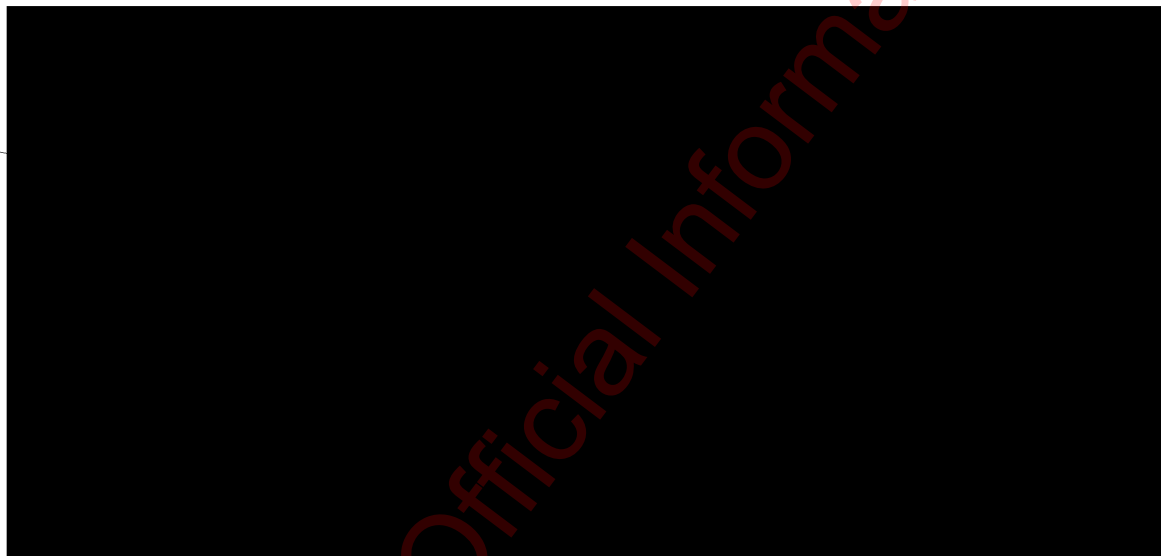
44. The next Teach First NZ cohort will begin teaching in 2018, with the final cohort teaching in 2019. Teach First NZ has been successful at recruiting high-quality teachers, including a significant proportion of Māori and Pasifika teachers; and teachers in shortage subject areas.<sup>7</sup> Participants are primarily employed in secondary schools in Auckland, with some employed in Northland, Waikato and the Bay of Plenty.
45. There is an opportunity to consider funding future cohorts and/or increasing the size of the 2019 cohort. It is not possible to extend the 2018 cohort as all places have been filled and participants have begun their pre-employment intensive training programme. New funding is required to increase the size of the 2019 cohort and fund future cohorts.

<sup>6</sup> Nationally, 1,455 teachers completed primary teaching qualifications in 2016, of which 550 were in Auckland.

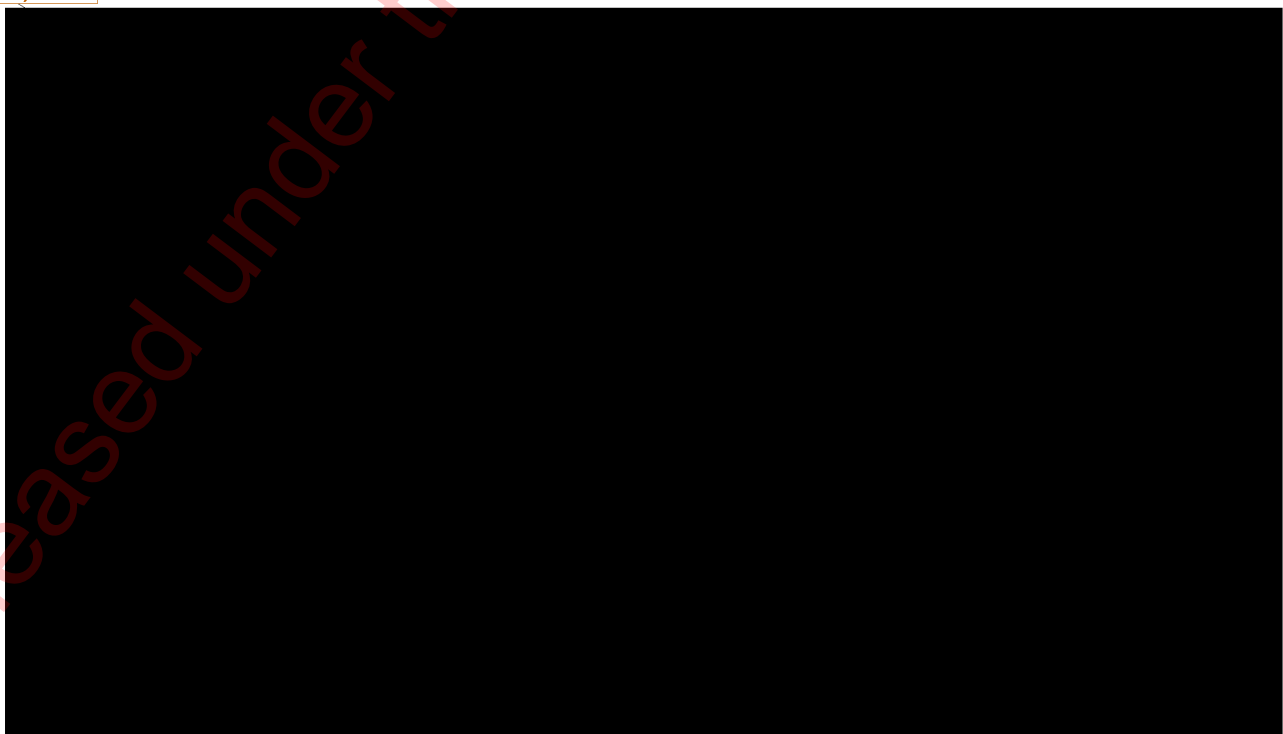
<sup>7</sup> 17% of the 2018 cohort are Māori and 20% are Pasifika. 55% are in STM subjects and 15% are in te reo Māori.

46. Teach First NZ is keen to explore how it can expand into other areas of New Zealand; as well as into the Māori medium and primary sectors. Teach First NZ is a high-quality programme and we would be supportive of its expansion (subject to meeting normal system quality measures). Teach First NZ believe that they have the necessary infrastructure to manage cohorts up to a maximum of 100.
47. While Teach First NZ is recognised as a high-quality programme that provides a more direct lever for addressing shortage areas in secondary schooling, it is a high-cost model at over twice the cost per place of the BTP. The high cost of the Teach First NZ programme prohibits it from being implemented on a large scale.
48. We recommend that you consider Teach First NZ as a targeted secondary initiative (i.e. as a direct lever to fill shortage subjects or areas) rather than as a broad nationwide supply initiative.

49.



50. Note that significant proportions of the Teach First NZ funding model are based on teacher salaries (as set out in the current collective agreement) which are partially subsidised by the Ministry, so any increases via collective bargaining will impact on future costs of the programme.



54. If you wished to explore this option, a potential way forward would be to invite responses to an open tender for a fixed amount of funding, allowing interested providers to provide new innovative programmes for consideration.

## Supporting re-entry into the education workforce

### Subsidising the Teacher Education Refresh Costs

55. Teachers need to undertake the Teacher Education Refresh (TER) programme if they have been provisionally-certificated<sup>10</sup> for six years or more or have not taught for six years since completing an ITE qualification.
56. The TER takes up to ten weeks (depending on the provider) and costs up to \$3,500. Teachers have raised concerns that the time and cost commitment is a barrier to re-entering the profession. The Education Council has therefore retendered the TER to identify opportunities to reduce time and costs, and expects to communicate the results of the retender to successful tertiary providers by 10 November 2017.
57. While the revised cost of the TER will not be known until tender is complete, the Education Council has indicated that it expects to be able to significantly reduce the time and cost of the TER. This would remove some, but not all, of the identified barriers to re-entering the profession - particularly when high-quality candidates may have multiple career options.
58. There is a possibility that teachers in shortage subjects or areas (e.g. hard and soft materials) could be reintroduced into the workforce via the TER. This is because such teachers are more likely to work limited hours and therefore face greater difficulty meeting minimum teaching requirements to achieve full certification. There is an opportunity to work with the Education Council to identify and support these types of teachers back into the workforce.
59. There is an option to fund the cost of the TER (in whole or part) to reduce barriers for teachers to re-enter the profession. We have modelled costings across a range of take-up and subsidisation scenarios below, starting at 350 (the number used to model costs for the Education Council's induction and mentoring programme). Assuming that the Education Council can reduce costs through the retender to around \$2,500, which it believes is achievable, the cost to fully-subsidise the programme from 2018 would be:

	2018/19	2019/20	2020/21	2021/22 Outyears	+ 4-Year Total
<b>350</b>	0.875	0.875	0.875	0.875	<b>3.500</b>
<b>650</b>	1.625	1.625	1.625	1.625	<b>6.500</b>
<b>1000</b>	2.500	2.500	2.500	2.500	<b>10.000</b>

60. We will be able to confirm actual costs and more accurate levels of demand once the Education Council's tender process is complete. This would represent the highest return on investment in terms of introducing additional teachers to the workforce of all of the initiatives outlined in this paper.

<sup>10</sup> I.e. teachers that have not yet completed sufficient induction and mentoring to meet all of the Practising Teacher Criteria.



61. The Education Council believes that a number of teachers are waiting for the results of the retender before applying, so take-up could increase significantly from 2018. Subsidising the TER will drive take-up further and the Education Council will need to carefully balance demand with the need to maintain quality.
62. You would need to seek funding through the Budget process. This could be through the between-Budgets contingency.
63. However, the Education Council has had significantly lower than anticipated uptake of their induction and mentoring programme. The Education Council's Induction and Mentoring programme announced earlier this year targets teachers with provisional certification that will lapse in the next two years, and therefore would require teachers to undertake the TER.
64. So far just nine teachers have undertaken to complete the programme despite significant efforts by the Education Council to market the initiative. The Council may be interested in reprioritising those funds towards subsidising the TER.
65. There is also an opportunity to undertake further policy investigation around system requirements to maintain certification. This would need to be balanced carefully with maintaining quality controls but could provide an avenue
66. The initiative could then be publicised in mid-2018 to generate demand and the TER could be completed in the second half of 2018, meaning new teachers in place at the start of 2019.

### Engaging Industry Experts

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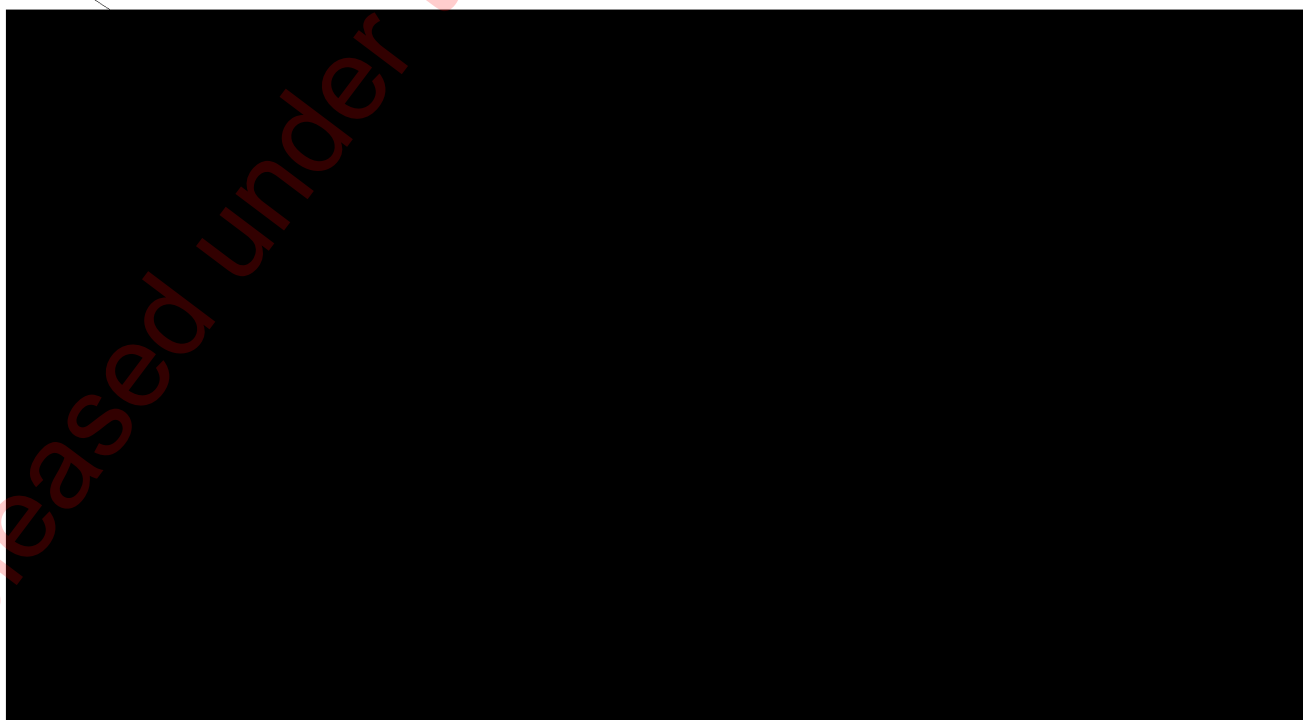
67. You have expressed interest in how schools could be better supported to make use of people who are not trained teachers, but who have significant specialist knowledge and experience in a high demand subject areas (e.g. materials or technology).
68. The Limited Authority to Teach (LAT) enables a person who is not registered and certificated to be temporarily employed in a specified teaching position. LATs are a mechanism for supporting schools that are struggling to find a certificated teacher with the specific skills for the role.
69. The Education Council sets the policy and administers LAT provisions as set out in the Education Act 1989. The Education Council may grant a LAT if the applicant is of suitable disposition and has the skills and experience appropriate to advance the learning of a student or group of students and the skills that are in short supply.
70. Individuals teaching on LATs are paid on the untrained teacher salary scale (approximately \$32,500), which may disincentivise some people from taking on LAT roles.
71. Another possibility we could explore further would be to find ways that industry specialists could provide supplementary expertise, working alongside but not replacing registered classroom teachers.
72. Changes in this areas are likely to be of high interest to the sector, including teacher representative organisations, and thus would need to be worked through in conjunction with key stakeholders. We propose to consider this exploratory process as part of the workforce strategy, which is currently being developed.

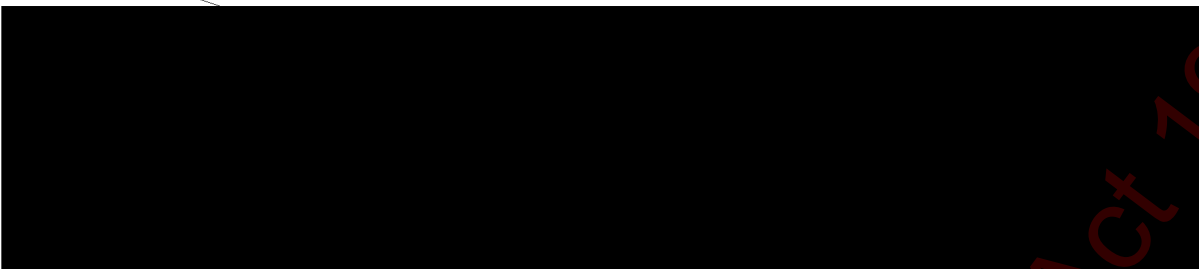
## Process and Timing

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73. We can work with the Education Council to reprioritise funding to subsidise the TER. This will support up to 650 teachers in short-term or relieving roles across New Zealand to remain in the profession. We can also seek funding through Budget 2018 should the Council not be interested in pursuing this option.
74. Two initiatives, on top of those already underway, can be in place for 2018 (subject to funding) :
- a. expansion of the VBS to decile one-three state and state-integrated Auckland schools from 2018 (increasing eligibility to up to 300 teachers per year)
  - b. increase to the BTP in 2018 (up to 20 primary Auckland teachers in 2018)
75. You will need to seek Cabinet approval to fund both these initiatives from the between-Budgets contingency and for Cabinet to approve the expansion to the VBS to Decile one-three state and state-integrated Auckland schools. Both initiatives qualify for the between-Budget contingency because they have not been previously considered and declined by Cabinet; and it is urgent and cannot be funded through reprioritisation or deferred until the next Budget.
76. If you agree, we recommend that you take a paper to Cabinet this year. Note that committee dates yet to be are finalised, and we will work with your office on timelines.
77. If you seek funding this year through the between-Budgets contingency, you will be able to make an announcement before Christmas.
78. We can also seek funding through the 2018 Budget for:
- a. additional cohorts of the BTP (up to 80 primary teachers in Auckland each year for four years)
  - b. extending the Teach First NZ programme

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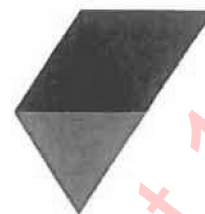


80. We are developing advice on the options to achieve your priorities for the education sector, in light of the Government's Fiscal Plan and the priorities set out in the Coalition Agreement and your Manifesto, including decisions on teacher supply.

#### Next Steps

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81. We understand that you are interested in developing a pre-Christmas supply package that has the potential to make an immediate impact on teacher supply challenges.
82. We are keen to discuss how such a package could look at the teacher supply strategy session on Wednesday 15 November 2017 and your budget strategy session later this month.



## Education Report: Supplementary Information on Teacher Supply Initiatives

<b>To:</b>	Hon Chris Hipkins, Minister of Education		
<b>Date:</b>	24 November 2017	<b>Priority:</b>	Medium
<b>Security Level:</b>	In Confidence	<b>METIS No:</b>	1092211
<b>Drafter:</b>	[REDACTED]		
<b>Key contact and number:</b>	Ellen MacGregor-Reid [REDACTED] [REDACTED] s 9(2)(a) OIA	<b>Round robin:</b>	No
<b>Messaging seen by Communications team:</b>	N / A		

### Purpose of report

The purpose of this paper is to:

- provide further advice on options for extending the Voluntary Bonding Scheme
- seek your agreement to subsidise Teacher Education Refresh costs for early learning teachers as well as compulsory sector teachers
- provide information about work underway on targeted recruitment marketing campaigns and eligibility criteria for the International Recruitment Grant
- identify options to ease teacher supply pressures should the supply situation worsen in 2018
- provide options for reprioritising funding to contribute to the cost of your overall teacher supply package.

### Summary

- 1 This report seeks decisions on teacher supply initiatives that will then be incorporated into the next draft of the attached Cabinet paper. It also seeks decisions on areas of funding that could be reprioritised to contribute to the cost of the package.
- 2 We have identified further options for extending the Voluntary Bonding Scheme (VBS):
  - a. by targeting shortage subject areas and Māori medium settings only
  - b. adopting a differentiated payment approach for schools in different deciles



- c. a hybrid option comprising option a. and an extension to all Auckland schools in deciles one-three.
- 3 On balance option c. is our suggested option if you wish to proceed with extending the VBS. This is because it provides the best mix between targeting recruitment and retention incentives, cost and coverage across New Zealand. Decile one and severely isolated primary schools will continue to be eligible for the VBS.
- 4 We have estimated the cost of fully subsidising the costs of the Teacher Education Refresher (TER) based Education Council data on the number of provisionally certificated teachers who have allowed their certificates to lapse (16,000 since 2003); and the number who have sought to do the TER course since it was first implemented (approximately 300 per annum). We estimate the cost at \$2.5m per annum initially, reducing to \$1.75m per annum once demand has settled.
- 5 Education Council data includes early learning teachers. We propose that the subsidy includes early learning teachers as well as compulsory sector teachers. This would support the Government's focus on supporting qualified staff in early learning services.
- 6 The Ministry is also creating a targeted marketing campaign that will focus on attracting, recruiting, supporting and retaining teachers in the education workforce. This includes a recruitment drive in the United Kingdom. While the Ministry can fund immediate marketing costs out of existing baselines, we seek your agreement to secure funding for the wider campaign as part of your teacher supply package.
- 7 Criteria for the International Relocation Grant (IRG) have now been finalised and there are immediate opportunities to publicise this work in conjunction with announcements around the wider supply package, and we will work with your Office to determine timing and communications support.
- 8 There are two existing system levers that could be explored if the supply situation worsens in 2018. We can provide further information on how these levels could be best utilised if you wish:
- a. the Recruitment, Retention and Responsibility (3R) payments, which could be used by school boards at their discretion to provide additional recruitment incentives
  - b. increasing the usage of Te Aho o te Kura Pounamu.
- 9 We have identified four areas where funding could be reprioritised toward the total cost of your teacher supply package:

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## Recommended Actions

The Ministry of Education recommends you:

- a. **Indicate** your preferred option for extending the Voluntary Bonding Scheme:

- i. status quo – no change to current settings

Agree / Disagree

- ii. extend to all Auckland state and state-integrated schools in deciles 1-3

- Agree / Disagree
- iii. retain current settings and extend to shortage subjects (science, technology, maths and te reo Māori) as well as Māori medium settings
- Agree / Disagree
- iv. retain current settings, extend to all Auckland state and state-integrated schools in deciles 2-3 and shortage subjects and Māori medium settings **(recommended option)**
- Agree / Disagree
- v. retain current settings and extend to three years' payment for all decile 2-10 state and state-integrated schools in Auckland
- Agree / Disagree
- vi. extend all Auckland state and state-integrated schools
- Agree / Disagree
- b. **agree** to fully subsidise the cost of undertaking the Teacher Education Refresher course for early learning teachers as well as the compulsory sector
- Agree / Disagree
- c. **agree** to seek funding for targeted marketing activities as part of your overall teacher supply package
- Agree / Disagree
- d. **note** that we will work with your Office around timing and announcements of eligibility criteria for the International Relocation Grant
- e. **note** the additional options identified that could be explored if the teacher supply situation worsens in 2018
- Noted
- f. **agree** to seek funding for departmental costs for administration and monitoring as part of the overall teacher supply package
- Agree / Disagree
- g. **agree** to include the identified funding reprioritisation options in the draft Cabinet paper:
- i. underspend within the TeachNZ scholarships appropriation
- Agree / Disagree
- ii. underspend within the Study Awards appropriation
- Agree / Disagree
- iii. underspend within the postgraduate Initial Teacher Education programmes
- Agree / Disagree

iv. underspend within the Education Council's Induction and Mentoring programme

Agree / Disagree



Ellen MacGregor-Reid  
**Deputy Secretary**  
**Early Learning and Student Achievement**

24/11/17



Hon Chris Hipkins  
**Minister of Education**

25/11/17

Released under the Official Information Act 1982

## Background

1. The Ministry has provided you with advice about a wide-ranging package of teacher supply initiatives that could be in place from 2018 to help alleviate current teacher supply pressures [METIS 1089892 refers]. This is summarised as follows:
  - a. Extending the Auckland Beginner Teachers Project by:
    - i. 20 teachers in 2018
    - ii. cohorts of 80 from 2019. ← Can this be scaled up faster?
  - b. Extending Teach First NZ by:
    - i. 35 teachers in 2019
    - ii. cohorts of 100 from 2020.
  - c. Establishing a contestable fund for new employment-based Initial Teacher Education (ITE) courses
  - d. Fully subsidising costs of undertaking the Teacher Education Refresher (TER) course
  - e. Implementing targeted marketing, recruitment and placement initiatives
  - f. Expanding the Voluntary Bonding Scheme (VBS).
2. Recommended options on parameters for extending the VBS and subsidising TER costs are set out in this paper; as well as options for reprioritising funding to support the overall teacher supply package. Decisions taken in this paper will be reflected in the next iteration of the enclosed draft Cabinet paper.
3. Note that the costs outlined in this paper and in the accompanying draft Cabinet paper are still subject to final quality assurance. We will complete quality assurance on the costs, including your preferred option for expanding the VBS, as part of the process of finalising the paper.
4. The proposed teacher supply package is summarised in Appendix 1, excluding the VBS.

## Voluntary Bonding Scheme

5. We recently provided advice that extending the VBS to all schools in Auckland was not recommended due to the high deadweight cost and limited ability to improve retention for beginning teachers at risk of not being retained in the workforce [METIS 1089892 refers].<sup>1</sup> We also advised that extending the VBS to all schools in Auckland would reduce the recruitment advantage of decile one schools.

<sup>1</sup> Minimum FTE requirements mean that eligible teachers tend to already be in the types of employment (e.g. permanent or longer-term fixed-term roles) that experience high retention rates without the VBS incentive.



6. You therefore requested further options for scaling and / or targeting the Voluntary Bonding Scheme (VBS) to better respond to teacher supply challenges, including outside of Auckland. This is presented below.

***Extend the VBS and target at hard-to-staff subjects or settings***

*Background*

7. Data show that population pressures are causing supply to tighten in the primary sector, primary in Auckland, and will begin moving through to the secondary sector from 2019 and 2020. The teacher supply situation is also tightening in the subject areas of science, technology, mathematics and te reo Māori across secondary schools nationally [METIS 1089061 refers]. While we do not have robust data on undersupply by subject, it is well accepted within the sector that these subjects are more challenging to recruit for. We therefore consider that these subjects could be used as basis of the new eligibility criteria for an expanded VBS.
8. We consider that the VBS could be targeted to these areas of supply pressure by extending the VBS to all decile two and three state and state-integrated schools in Auckland; and introducing subject eligibility criteria across the country.<sup>2</sup> These schools would be eligible for a single payment after three years. Decile one and severely isolated state and state-integrated schools would be eligible for the full amount across five years.
9. We also propose including the Māori medium<sup>3</sup> sector as an eligibility criterion. This provides an opportunity to ensure equitable treatment of recruitment and retention incentives between teachers in the Māori medium sector and te reo Māori teachers in English medium settings.
10. This would provide additional recruitment and retention incentives across decile 2-3 state and state-integrated primary schools in Auckland and for key subject areas in secondary schooling and the Māori medium sector across the whole of New Zealand, without significantly impacting on recruitment advantages for decile one and isolated schools.
11. If the VBS proves effective at attracting and retaining te reo Māori teachers in Māori medium settings, you could consider providing further incentives for teachers (e.g. more or larger VBS payments) to further increase supply into this part of the workforce.

*Detail of option*

12. Available data suggests that, in 2016, approximately 300 students completed Initial Teacher Education (ITE) qualifications within the identified subject areas or completed Māori medium-specific ITE qualifications. Additionally, data show approximately 150 beginning teachers in decile two and three state and state-integrated schools would be eligible for the scheme. We have therefore costed the option on this basis.

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<sup>2</sup> This was the case between 2009 and 2013 [METIS 702494 refers]. Eligible subjects were chemistry, home economics, mathematics, statistics, physics, technology and te reo Māori.

<sup>3</sup> Māori medium is defined as educational settings where the curriculum is delivered in and through te reo Māori more than 51% of the time.

13. We suggest adopting a differential payment approach whereby the current settings are retained (i.e. teachers in decile one and isolated schools continue to be eligible for the full five year payment), with teachers in shortage subjects and settings being eligible for three years of payments. This is summarised as follows:

Eligible for 5 years of payments	Eligible for 3 years of payments
Current settings: <ul style="list-style-type: none"><li>- Decile one state and state-integrated schools.</li><li>- Severely isolated state and state-integrated schools.</li></ul>	Expanded VBS: <ul style="list-style-type: none"><li>- Science, technology, mathematics and te reo Māori teachers (secondary only).</li><li>- Teachers in Māori medium settings (early learning, primary and secondary).</li><li>- Teachers in decile two and three state and state-integrated schools in Auckland.</li></ul>

14. The cost of this would be as follows:



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#### Assessment

15. We think that extending the VBS to decile two and three state and state-integrated schools, shortage subjects and Māori medium settings strikes a reasonable balance between cost and encouraging recruitment and retention in areas of teacher supply challenges.
16. Extending the VBS to the Māori medium sector could have a positive impact on recruitment and retention of beginning teachers. However, it is unlikely to have an impact on wider challenges around the supply of teachers into the Māori medium sector, for example falling ITE enrolments and completions. Attracting, recruiting and retaining high-quality graduates to ensure a sufficient pipeline of teachers into the Māori medium sector will need to be a key focus area of the upcoming workforce strategy.
17. There is a risk that a targeted VBS will not be well received by Auckland teachers and principals who are expecting the VBS to be extended to all schools in Auckland; as well as primary school teachers (other than in decile one-three schools). This will be mitigated by reinforcing that the VBS is one part of a suite of supply initiatives that also includes other initiatives such as the Auckland Beginner Teachers Project.

18. Given fiscal constraints, we believe that extending the VBS to shortage subject areas and Māori medium settings without the corresponding increase for decile two and three state and state-integrated schools is also a reasonable option. The cost of this would be:

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**Other options considered**

19. You asked for advice on whether a graduated payment approach could be taken whereby all state and state-integrated Auckland schools would be eligible for three VBS payments; while the current settings (decile one and severely isolated schools across New Zealand) remain eligible for the full five years of payments. The cost of this would be:

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20. This option has the same downsides as the previous options prepared for you in METIS 1089892 and summarised in paragraph 4 of this report. We therefore do not recommend that you proceed with an extension of this type.

21. The following table compares the cost of all options to extend the VBS, including previous advice.

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#### Teacher Education Refresh

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22. As previously advised, teachers need to undertake the Teacher Education Refresh (TER) programme if they:
- a. have been provisionally-certificated<sup>4</sup> for six years or more
  - b. have not taught for six years since completing an ITE qualification.
23. We have prepared costings for fully subsidising TER costs on the basis that approximately 300 teachers currently do the TER per annum, at current cost and availability. With the removal of fees, and the increased availability of the new courses approved by the Education Council (including an option to do the TER online), we expect demand to increase. We have costed the subsidy on the assumption that there will be 1000 teachers per annum choosing to do the TER for the first four years of the policy, as the backlog of lapsed teachers who may wish to return to teaching works through the system. After that, we have assumed that demand will drop to around 400 teachers per annum. It is difficult to estimate demand for the TER, and it may be necessary to make adjustments to funding for the subsidy once we have information about actual uptake.
24. This estimate includes early learning teachers. The Education Council is not able to distinguish between early learning teachers and compulsory sector teachers in their practising certificate data. While the number of teachers doing the early learning TER courses has been small, there may be an increase in demand when the courses are free, and more widely available. We recommend that the subsidy for TER includes early learning

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<sup>4</sup> I.e. teachers that have not yet completed sufficient induction and mentoring to meet all of the Practising Teacher Criteria.



teachers, because this is well aligned with the Government's commitment to support qualified teachers in early learning services.

25. On the basis of annual demand being 1,000 teachers for the first four years, and then 400 teachers thereafter, the cost of subsidising TER costs is estimated at:

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26.

27. This initiative has the potential to make an immediate impact on the supply of teachers. The Education Council and TER providers will need to be conscious of the need to balance the expected increase in demand with maintaining quality requirements, including the need to ensure that teachers re-entering the workforce have sufficient cultural capability to teach increasingly diverse and multilingual learners.

### Marketing Campaigns

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28. We are developing a targeted marketing campaign based on market research to:
- a. lift ITE enrolments
  - b. attract lapsed teachers back into teaching
  - c. support and retain beginning teachers into full-time employment
  - d. encourage well-qualified overseas teacher to move to NZ
  - e. target career changers
  - f. support relieving teachers to reach full certification
  - g. support leaders and school boards around recruitment practices.
29. The campaign will build on recent successful marketing campaigns, for example the STM graduate and 'bring a kiwi home' campaigns. The campaign will be phased, with the market segments most likely to impact on teacher supply in 2018 being prioritised, starting with teachers whose practising certificates have lapsed as well as attracting ITE graduates.
30. Targeted marketing campaigns have the potential to reach a large audience in a short amount of time. For example, we are communicating with a database of some 5,000 United Kingdom-based teachers who have expressed an interest in moving to New Zealand.
31. We recommend that you seek funding for the marketing campaign as part of your overall teacher supply package. The funding required is:

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## International Relocation Grant Criteria

32. Joint Ministers agreed to reprioritise funding to reinstate the International Relocation Grant (IRG) on 8 August 2017 [METIS 1078700 refers], with the IRG to be in place in late 2017 to support schools recruiting for the 2018 year.
33. The criteria have now been set:

Who	Criteria
All teachers	<ul style="list-style-type: none"><li>- Be employed full-time for at least 12 months (either permanent or fixed-term)</li><li>- Be employed in a state or state-integrated school</li><li>- Receive the grant once over a five-year period</li><li>- Apply for the IRG within 3 months of starting employment (as evidenced by the school)</li></ul>
New Zealand teachers	<ul style="list-style-type: none"><li>- Provide evidence of a formal resignation from a school in New Zealand</li><li>- Have been out of New Zealand for at least 30 teaching weeks before the start date of the new role</li></ul>
Schools receiving finders' fee	<ul style="list-style-type: none"><li>- Employ a teacher in an eligible role</li><li>- Provide evidence of costs incurred for overseas recruitment (excluding travel)</li></ul>

34. Eligible teachers will receive two payments of 50% after 10 weeks teaching and 40 weeks teaching (one academic year) respectively.
35. There are opportunities to launch the new IRG immediately or as part of your overall teacher supply package if you prefer. We will work with your Office on timing and communications support.

## Option that could be deployed if teacher supply worsens in 2018

36. You have asked for advice about any other short-term measures that are available if the teacher supply situation dramatically worsened in 2018. We have summarised two existing system levers below. Further advice can be provided if you wish.

### **Recruitment, Retention and Responsibility (3R) Payments**

37. School boards of trustees can make payments to teachers of \$2,750 per annum (primary) or \$4000 per annum (secondary) from operational funding for reasons of recruitment, retention or responsibility. This is known as '3R payments'. 3R payments can be made on a permanent or fixed-term basis; are made in consultation with teaching staff; and must be agreed between the board and the recipient.
38. A school board could apply one or more 3R payments to individuals assigned a Limited Authority to Teach (LAT) to provide additional incentives for industry professionals to fill short-term vacancies in shortage subject areas (for example technology / hard materials). This would help to address the identified barrier that individuals with a LAT must be paid on

the unqualified scale, and therefore would be unlikely to want to leave higher-paying trades jobs for the classroom.

39. There is nothing to stop schools boards from using one or more 3R payments as a recruitment incentive, providing there is sufficient funding available within a school's operations grant and the payments are made in line with the requirements of the collective agreements. This would potentially allow a school board to recruit a tradesperson with a LAT at a competitive rate if it considered this a funding priority for the school.
40. This could be helpful for filling vacancies in areas of extreme need and would not require government intervention. It would be possible to promote 3R payments as a recruitment incentive as part of the communications approach to the wider supply package; but is likely to result in calls for increases in operations grant funding from the sector. It may also be criticised as transferring responsibility for addressing teacher supply from the government to schools.
41. The Secretary for Education does not need to approve 3R payments as decision-making can be taken by school boards. We are however investigating whether there are any other discretionary options available to the Secretary, and will provide advice on this to you when it is available.

#### ***Te Aho o Te Kura Pounamu***

42. During times of intense supply pressure, you could consider increasing utilisation of Te Kura or other online learning options. We have not discussed this with Te Kura leadership but we can be confident that it has previously indicated its willingness to increase capacity. We would need to balance increased this carefully to ensure that Te Kura was able to manage increased demand, as well as ensuring that students were well-supported in their distance learning. We can provide further information about what this could look like if you wish.

#### ***Funding and Reprioritisation***

43. We are seeking advice from Treasury around funding sources of new funding and are working internally on reprioritisation options. The below text therefore represents our initial findings and are subject to revision through quality assurance process.

#### ***Departmental Funding***

44. [REDACTED] This includes funding for evaluation and monitoring of the package. We recommend that you seek this funding as part of the overall supply package.

#### ***TeachNZ Scholarships and Study Awards***

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[REDACTED]

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46.

[REDACTED]

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47.

[REDACTED] To help mitigate this, we will include in the Cabinet paper that the Minister of Finance and Minister of Education are jointly delegated to approve adjustments to appropriations where there is higher than expected expenditure where savings are proposed.

***Exemplary postgraduate ITE qualifications***

48.

[REDACTED]

s 9(2)(f)(iv) OIA

49. The Education Council has not progressed this proposal, and postgraduate ITE courses continue to be undersubscribed overall.

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[REDACTED]

***Induction and Mentoring Programme***

50. In May 2017 the government announced \$2 million over two years in 2017/18 and 2018/19 for the Education Council to create an induction and mentoring programme for eligible provisionally-certified teachers, which could support up to 700 teachers to gain full certification.

51. The Education Council has indicated that the Induction and Mentoring Programme is heavily undersubscribed and

s 9(2)(f)(iv) OIA

[REDACTED]

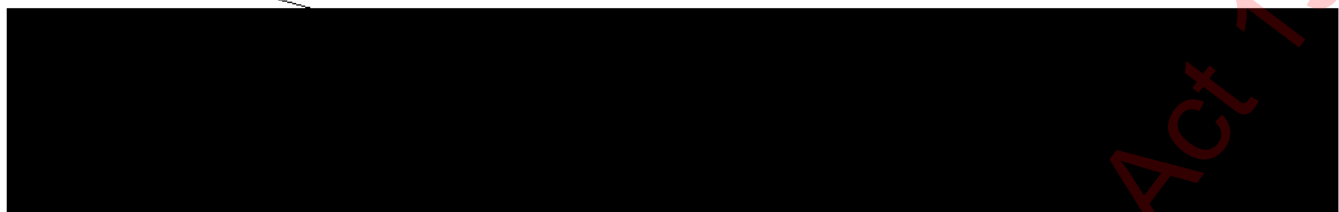
***Total funding available for reprioritisation***

52. The total funding identified for reprioritisation is summarised as follows:

[REDACTED]

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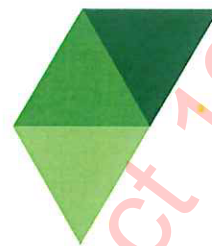
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## Briefing Note: Teacher supply and vacancies

<b>To:</b>	Hon Chris Hipkins, Minister of Education		
<b>Date:</b>	19 January 2018	<b>Priority:</b>	Medium
<b>Security Level:</b>	In Confidence	<b>METIS No:</b>	1101846
<b>Drafter:</b>	Amanda Kent	<b>DDI:</b>	[REDACTED]
<b>Key contact and number:</b>	Amanda Kent [REDACTED]	<b>Round robin:</b>	No s 9(2)(a) OIA
<b>Messaging seen by Communications team:</b>	No		

### Summary

1. This paper presents information on:
  - a. the recently announced teacher supply package;
  - b. recruitment support for schools;
  - c. our current engagement with principals in the regions;
  - d. our current engagement with principals in the Auckland region recruitment support available to schools (and the uptake);
  - e. availability of relief teachers;
  - f. workforce data sources;
  - g. and vacancies.



Pauline Cleaver  
**Acting Deputy Secretary**  
**Early Learning and Student Achievement Group**

19/01/2018

### Teacher supply package

2. The teacher supply package announced in December 2017 was well received by principals. Implementation of the package is well underway, with the administrative and contractual processes required now finalised.
3. Applications for the Overseas Relocation Grant open next week. We have had several enquiries about this grant, and expect it to be fully subscribed.
4. Since December, there have been almost 400 expressions of interest in the subsidised Teacher Education Refresh programme (enquiries to the providers and the Education Council). There is funding for 500 places. If all the enquiries convert to enrolments, we expect the subsidised programme to be over subscribed. We are exploring options for further reprioritisation of funds to continue this funding if necessary
5. You will receive an Education Report next week with a more detailed update on the implementation of the package.

### Recruitment support for schools

6. A summary of the recruitment services the two recruitment agencies provide to schools, and the Ministry funded subsidisation for Education Personnel is below.

s 9(2)(j) OIA

Service	Total cost	Ministry subsidy	Cost to schools	Comment
Placement of teachers into schools	\$7,450 per placement			
High vacancy support assistance	\$4,530 per position	\$4,530	nil	To cover additional support, advertising and search services

s 9(2)(j) OIA

7. Once a teacher is placed, schools pay the recruitment agencies a fee (percentage of the starting salary), as is common practice in recruitment.
8. Five schools nationwide currently have six high vacancy support assistance roles approved, and are working with Education Personnel to fill their vacancies. A further three roles are in the approval process. Seven vacancies have been filled this financial year using this assistance. (Source: Education Personnel and Oasis Education)
  - a. Randwick Park School (interviewed by Newshub on Wednesday 17 January) is receiving the high vacancy support assistance.

9.

### Availability of Relief teachers

s 9(2)(i) OIA

10.

**Regional commentary**

11. The Ministry's Regional Directors work closely with principals in their regions. We are actively working with schools who are experiencing difficulties. In relation to vacancies for term one, the Regional Directors advise:
- In Auckland, principals are vocal about vacancies, and raise concerns about the 'quality' of applicants for vacancies. The telephone engagement with Auckland principals will help us understand their concerns.
  - In Waikato, the situation appears to be usual for this time of year, although schools note some specialist areas have been hard to fill (eg Māori Medium). The teacher supply package will go some way to address this.
  - In Bay of Plenty, the situation is usual for this time of year.
  - There has been a limited response from Hawkes Bay schools, with one vacancy (technology) being hard to fill. The Ministry is supporting the school's recruitment.
  - In Wellington, schools report they have found it difficult to fill vacancies, but no specific support from the Ministry has been sought.
  - In Christchurch, vacancies appear to be usual for this time of year. Schools advise some subjects are harder to fill than other (maths, science, and te reo in particular).
  - In Otago / Southland some schools report difficulty recruiting. The Ministry is assisting these schools. Gore High School had five vacancies in December, which are now filled.
  - Nil issues reported for Tai Tokerau and Taranaki / Whanganui / Manawatu.

**Engagement with Auckland principals**

12. We are currently engaging with principals of state and state-integrated schools in the Auckland region, by telephone call. There are more than 500 schools in the region. We are asking questions about their staffing for term one, how they intend to manage any vacancies, and we are providing information about recruitment support and the teacher supply package.
- Of the 80 principals spoken to so far, approximately 20% have indicated they have vacancies, but are confident they will fill them, or have plans in place to minimise disruption to students (eg use of relievers).
  - Principals are concerned about the quantity and quality of applicants for vacancies.
  - Preliminary findings are expected to be available on Monday 29 January.
13. The questions being asked were developed in consultation with the Auckland Primary Principals Association and the Auckland Secondary School Principals Association, and both these organisations support this work.

**Workforce data**

14. The Ministry draws on workforce data from a variety of sources, including:
- population predictions and national workforce data from Statistics New Zealand
  - the Ministry's payroll system for retention, career progression, employment outcomes
  - Initial Teacher Education providers for enrolments and completions
  - the Education Council for information about teacher registration, teachers on Limited Authority to Teach



- e. NZQA for information about international qualification assessments
- f. DIA for information about immigration and visa applications for teachers
- g. anecdotal information from ongoing engagement with principals, unions, and other stakeholder groups.

## Vacancies

15. Supply and demand is difficult to manage and predict. As you know, there are some limitations on the data relating to the supply and demand for teachers. While the Ministry is working to strengthen and improve insight into the workforce, this work will take time, and the desired improvements are not yet evident.
16. Vacancy data is currently limited to the count of vacancies advertised in the Gazette. The table below shows the number of new vacancies advertised in the Gazette in November 2017.

	November 2017	Comment
Number of new vacancies advertised in November 2017	1813	New vacancies listed in November 2017. Part time and full time, primary and secondary combined. Excludes positions advertised and regraded.
Total number of teachers as at 30 November 2017	69,757	Part time and full time, primary and secondary combined
New vacancies advertised as a proportion of the total number of teachers	2.6%	

17. December data will be available in the coming weeks.
18. The vacancy data is not an accurate reflection of actual vacancies. It is not currently possible to distinguish the FTE of vacancies being recruited. Data about year or subject specialisation is not in an easily accessible form, and the Ministry is working to improve this. The new data collection processes implemented in July 2017 does provide a basic picklist for subjects, and the Ministry can text mine the vacancy advertisements for subject specialisation, but is not robust enough to report. The data does not capture information about vacancies advertised through other means (such as international advertising or other online recruitment websites).
19. There are currently only 58 vacancies being actively recruited by Education Personnel (nationwide) and Oasis Education (Auckland only). The Ministry contracts these two specialist education recruitment agencies to provide subsidised recruitment services to schools.
  - a. Around 70% of these vacancies are in the Auckland region.
  - b. Subjects being recruited include maths (seven vacancies), technology (six), special education (four), English (four), and one to three vacancies each in other subject areas.

## Next steps

20. More detailed information about implementation of the teacher supply package will be provided to you in an Education Report next week.
21. We will provide your office with December vacancy data when it is available next week.
22. We will keep your office abreast of the work to telephone Auckland principals. We will provide a briefing to your office on the overall findings the week of 29 January.



23. The Ministry will continue to work to improve the vacancy data and insights over the coming months. Further work is required to develop a comprehensive picture of teacher supply and demand.

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