MINISTRY OF EDUCATION
TE TĀHUHU O TE MĀTAURANGA

Education Report: Update on the proposal to extend support for overseas children on visitor visas to access education

To:	Hon Chris Hipkins, Minister of Education		
Date:	22 February 2020	**Priority:**	High
Security level:	In Confidence	**METIS №:**	1250949
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Messaging seen by communications team:	No	**Round robin:**	No

Purpose of report

This paper updates you on how the Ministry proposes to account for the costs of overseas students in New Zealand enrolled as domestic students. It follows on from our earlier briefing *Continuing to support overseas children stranded in New Zealand due to COVID-19 to access education* [METIS 1249308].

Recommended actions

The Ministry of Education recommends you:

a. **note** you previously agreed to extend time-bound domestic student status to overseas children in New Zealand on visitor visas until the end of term 2, 2021 and to seek Cabinet approval to treat the associated cost as a forecast change, accounted for in Baseline Updates

Noted

b. **note** that the Treasury no longer considers that a Cabinet paper is necessary to manage the funding changes due to the expected low cost of the change

Noted

c. **indicate** which option you prefer:

i. **Option 1:** seek Cabinet authorisation as agreed in METIS 1249308 (not recommended)

ii. **Option 2:** do not seek Cabinet agreement as per Treasury's advice

Option 1 / Option 2

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d. **note** that if you select option 2 the Gazette notice can be issued in the next few days

Noted

e. **indicate** if you would like external communications such a press release prepared

Yes / **No**

f. **agree** that this Briefing will be proactively released following the publication of the Gazette notice as per your expectation that information be released as soon as possible. Any information which may need to be withheld will be done so in line with the provisions of the Official Information Act 1982

Agree / **Disagree**

John Brooker
Group Manager
Education System Policy

22/02/2021

Hon Chris Hipkins
Minister of Education

23 / 02 / 2021

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Background

1. Last week we updated you on students in New Zealand on visitor visas who are unable to return to their home countries due to COVID-19 [METIS 1249308 refers]. The Ministry of Business, Innovation and Employment (MBIE) has not been able to provide any updated visa information since our last report.

2. You have sole authority to determine which students can be treated as domestic students. You agreed to treat these students as domestic students until the end of term 2, 2021.

3. You also agreed to seek Cabinet approval for the funding for these students. This approach was advised by the Treasury as the best approach at that time. This original advice assumed that the overseas students on visitor visas here due to COVID-19 could be differentiated from other time-bound domestic students. It also assumed the costs were uncertain and potentially high.

Updated advice from the Treasury

4. The Treasury has since provided updated advice that Cabinet agreement is not necessary to account for these costs, given that we expect the cost of the change to be low and met within baselines. Previously Cabinet approval was indicated to account for this specific change in forecast changes; however, as agencies have agreed costs can be met from within baselines, no Cabinet or Ministerial approval is required for funding.

5. The Treasury has advised that you could take a noting paper to Cabinet, but that this is not necessary.

6. As no Cabinet approval is needed, the Gazette notice can be issued in the next few days which will enable schools to enrol these students straight away. Should you agree to the updated approach, we will proceed with publishing the Gazette notice.

How the costs will be captured

7. It is not possible to distinguish these students from other time-bound domestic students in Ministry systems. The changes approved in the September Cabinet paper were not captured in OBU as the actual Term 3 and 4 costs were not known at that time. It was planned to put them through MBU. However, the actual impact on Ministry funding to schools appears to have been zero and costs able to be absorbed within schools' operating baselines. Accordingly, no change will be made to MBU to reflect student enrolments in 2020.

8. Given the difficulties of identifying the costs attributable to these students, coupled with the likelihood that the costs of the policy are negligible, any costs of this policy in 2021 will either again be met from within current schools baselines (i.e. no changes to Vote baselines), or the costs will be captured through the current forecast change processes for domestic students, recorded in MBU and OBU.

9. The Ministry's Chief Financial Officer and the Treasury have confirmed that this is an acceptable approach.

Sharing the information with your Cabinet colleagues

10. We understand that the Ministerial consultation on the draft Cabinet paper has already taken place. You may wish to still take this to Cabinet as a noting paper to inform your colleagues of the final situation.

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