MINISTRY OF EDUCATION
TE TĀHUHU O TE MĀTAURANGA

Education Report: Keeping households connected into the 2022 school year

To:	Hon Chris Hipkins, Minister of Education		
Date:	14 October 2021	**Priority:**	High
Security Level:	Budget Sensitive	**METIS No:**	1272098
Drafter:	Tim Grgec	**DDI:**	9(2)(a)
Key Contact:	Ellen MacGregor-Reid	**DDI:**	
Messaging seen by Communications team:	No	**Round Robin:**	No

Purpose of Report

This paper seeks your approval to expand the Equitable Digital Access project to maintain resilience in the education system into the 2022 school year (subject to funding).

All existing 47,000[1] Ministry-funded internet subscriptions allocated to learner households across New Zealand are set to expire on 31 December 2021. This paper seeks your agreement to seek additional funding at Cabinet to extend these internet connections and connect any additional households until 30 June 2022. This will cost approximately $20 million in 2021/22. Confirmation of this funding would be needed by 25 November 2021 to ensure all expiring internet connections could be extended on time.

Summary

- The Ministry's COVID-19 related distance learning package included $36.4 million of COVID-19 Response and Recovery Funding (CRRF) to enable as many learners as possible to access online teaching and learning. The Government connected learner households to the internet and supplied fit-for-education devices (laptops, iPads and Chromebooks) to learners in-need [CAB-MIN-20-0136 refers].

[1] Prior to New Zealand moving to Alert Level 4 in August 2021, the Ministry had allocated approximately 40,000 internet connections to learner households across New Zealand, prioritising Auckland, Tai Tokerau, Waikato and Bay of Plenty. In August, the Ministry estimated approximately 7,000 additional households across the country would need internet connections. We continue to work towards connecting all learner households, with priority given to those with Years 9-13+ learners in regions with raised Alert Levels.

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- In January 2021, you and the Minister of Finance agreed to extend existing internet connections until 31 December 2021 and establish a pool of fit-for-education devices and connections in the event of any further COVID-19 related school or kura closures [METIS 1248643 refers].

- Since March 2021, the Ministry has been working to proactively provide internet connectivity to learners in secondary schools and kura across New Zealand. We first prioritised households in South Auckland, then those in Northland, Waikato (including Coromandel) and the Bay of Plenty. This work is ongoing, and the Ministry will prioritise wharekura and households with Years 9-13+ learners receiving devices [METIS 1252165 refers].

- To meet renewed and anticipated demand in secondary schools and kura, in August 2021, Cabinet approved funding to purchase up to 7,000 new internet connections, at a total cost of $2 million. Cabinet also approved the immediate funding of $4.020 million to purchase an additional 7,000 fit-for-education devices [CAB-21-MIN-0329 refers].

- Due to the unpredictable nature of the global pandemic, there remains an ongoing risk of COVID-19 re-emerging in the community. This means schools and kura may be required to transition to emergency distance teaching and learning in 2022.

- It is our intention to submit a bid 9(2)(f)(iv) for Budget 2022 9(2)(f)(iv) This connectivity work will provide temporary relief but not resolve longstanding issues affecting digital equity. While significant all-of-Government work is underway on the broader systemic issue of 'closing the digital divide', suitable equitable digital access solutions are unlikely to be available prior to 2025. In the interim, the Ministry suggests additional resilience be developed for the education system while COVID-19 resurgence remains an immediate risk.

- Options for enhanced resilience include extending existing Ministry-funded internet connections until the end of 30 June 2022 at an estimated cost of $20 million. Treasury's initial advice is that you would need to seek Cabinet approval for additional funding to extend all 47,000 allocated Ministry-funded internet connections (and any additional households) as a pre-commitment against the Budget 2022 operating allowance. Alternatively, the cost might be charged to the CRRF. Either funding option would need to be confirmed by 25 November 2021 so all expiring internet connections could be extended in time.

- It is worth noting that 9(2)(j) It is also unlikely all 47,000 will be connected by 31 December 2021. Should fewer connections be required, or costs are lower than projected, the Ministry will return any unspent funding.

- While the Ministry has previously been able to reprioritise existing, underspent project funding to extend household internet subscriptions, no such option is currently available to us. We are conscious that you are currently considering advice concerning the reprioritisation of existing funding towards 'urgent measures to re-engage students in education' [METIS 1273949 refers]. This advice has progressed through to Cabinet consideration ahead of this proposal to further extend internet connections and will

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exhaust funding available for reprioritisation. Unfortunately, this means that additional funding is required to enact the recommendations in this report.

- If the current Ministry-funded internet connections are not extended, then any subsequent reactivation would be very expensive – 9(2)(j) Until then affected households would be reliant on school and kura provision in the event of further COVID-19 related disruptions to learning.

- Over 2021, the Ministry has been working with teachers, learners, parents and whānau across Aotearoa to evaluate the impact which access to the internet and fit-for-education devices has on educational and wider social outcomes [METIS 1248643 refers]. While findings are currently being finalised (and we expect to share these with you in November), preliminary indications are that access to devices and connections provided positive benefits for learners and their whānau.

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Recommended Actions

The Ministry of Education recommends you:

a) **Note** that the emergency distance learning response to COVID-19 Alert Levels 3-4 in March 2020 included contracting with internet service providers to connect some private households to the internet and supplying fit-for-education devices to identified learners at a cost of $36.4 million [CAB-MIN-20-0136 and METIS 1234656 refer];

Noted

b) **Note** that, in September 2020, the Ministers of Finance and Education jointly agreed to extend internet subscriptions for 20,000 households who faced the potential loss of connectivity before the end of the school year by reprioritising $4.800 million from the tagged operating contingency *Targeted Support for At-risk Akonga* [METIS 1241053 refers];

Noted

c) **Note** that in January 2021 you agreed in principle to reprioritise all of the existing $8.3 million Equitable Digital Access underspend in order to extend contractual arrangements for households receiving a subsidised internet service until the end of December 2021 [METIS 1248643 refers];

Noted

d) **Note** that, since March 2021, the Ministry has been working to proactively provide internet connectivity to learners in secondary schools and kura across New Zealand, first prioritising households in South Auckland, then those in Northland, Waikato (including Coromandel) and the Bay of Plenty [METIS 1252165 refers];

Noted

e) **Note** that, to meet renewed and anticipated demand in secondary schools and kura, in August 2021, Cabinet approved funding to purchase up to 7,000 new internet connections, at a total cost of $2 million and 7,000 fit-for-education devices at $4.020 million [CAB-21-MIN-0329 refers].

Noted

f) **Note** that all-of-Government work on the broader systemic issue of 'closing the digital divide' is not expected to produce widely available and sustainable solutions until 2025, and that, while COVID-19 resurgence remains an immediate risk, further interim solutions may be required to maintain resilience in the education system until such solutions are implemented;

Noted

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g) **Note** that consequently it is proposed to submit a bid 9(2)(f)(iv) for Budget 2022 9(2)(f)(iv)

Noted

h) **Agree** that we will progress work to draft a Cabinet paper seeking an additional $20 million to extend all 47,000 allocated Ministry-funded internet connections – and any additional households – until 30 June 2022;

Agree / Disagree

AND, IF AGREED TO

i) **Agree** in principle to seek one of the two following funding options:

i. **Agree** that the expenses incurred under recommendation g) above be charged as a pre-commitment against the Budget 2022 operating allowance;

Agree Disagree

OR

ii. **Agree** that Cabinet approve draw-down of funding from the CRRF;

Agree Disagree

AND

j) **Note** that, should this be agreed to, this funding would be needed by 25 November 2021 to ensure all expiring internet connections could be extended on time;

Noted

k) **Agree** to forward these recommendations to the office of Hon Grant Robertson, Minister of Finance; and

Agree Disagree

l) **Note** that the Ministry will shortly provide you with findings from our evaluation of the impact which access to the internet and fit-for-education devices has had on educational and social outcomes for learners and their whānau, and that preliminary indications are positive [METIS 1248643 refers];

Noted

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m) **Agree** not to release this briefing at this time while Budget 2022 decisions are still under active consideration, and that, when it can be released, any commercially sensitive information should be withheld.

Agree / **Disagree**

Pauline Cleaver
Acting Hautū | Acting Deputy Secretary
Te Poutāhū | Curriculum Centre

14/10/2021

Hon Chris Hipkins
Minister of Education

26 /10/ 2021

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Background

1. The Ministry's COVID-19 related distance learning package included $36.4 million of COVID-19 Response and Recovery Funding (CRRF) to enable as many learners as possible to access online teaching and learning by contracting with internet service providers to connect a total of 50,000 households to the internet for a six-month period and to supply fit-for-education devices (laptops, iPads and Chromebooks) to learners in-need [CAB-MIN-20-0136 refers].

2. While our immediate priority was to deliver access to the internet for learner households as an emergency response to school and service closures, work has continued since March 2020 to allocate connections to approximately an additional 7,000 households. [2]

3. Additionally, on 21 September 2020, you and the Minister of Finance jointly agreed to extend subsidised internet subscriptions for 20,000 households who faced the potential loss of connectivity before the end of the school year by reprioritising $4.8 million from the operating contingency: 'targeted support for at-risk ākonga' [METIS 1241053 refers].

4. Cabinet also agreed to reprioritise $6.9 million of CRRF (intended for the development of a virtual learning environment) towards the expanded provision of fit-for-education devices, meeting all unmet demand in Years 9-13+ across Aotearoa New Zealand [CAB-20-MIN-0403 refers].

5. In January 2021, you and the Minister of Finance agreed to extend existing internet connections until 31 December 2021 and establish a pool of fit-for-education devices and connections in the event of any further COVID-19 related school or kura closures [METIS 1248643 refers].

6. This included an agreement to reprioritise all $8.3 million of the existing Equitable Digital Access underspend to extend contractual arrangements for households receiving a subsidised internet service [METIS 1248643 refers].[3]

7. Since March 2021, the Ministry has been working to proactively provide internet connectivity to learners in secondary schools and kura across New Zealand. We first prioritised households in South Auckland, then those in Northland, Waikato (including Coromandel) and the Bay of Plenty. This work is ongoing, and the Ministry will prioritise wharekura and households with Years 9-13+ learners receiving devices [METIS 1252165 refers].

8. To meet renewed and anticipated demand in secondary schools and kura, in August 2021, Cabinet approved funding to purchase up to 7,000 new internet connections, at a total cost of $2 million. Cabinet also approved the immediate funding of $4.02 million to purchase an additional 7,000 fit-for-education devices [CAB-21-MIN-0329 refers].

9. Due to the unpredictable nature of the global pandemic, there remains an ongoing possibility of community emergence of COVID-19. This means schools and kura may be required a transition to emergency distance teaching and learning in 2022.

[2] The Ministry contracts with internet service providers to allocate connections to households. This process requires both: (a) delivery of a modem (or other hardware); and (b) a usable service being available to the household. Of the 41,000 connections 'allocated', internet service providers report that around 22,000 have already been connected or have connections in progress. We are still awaiting reports from providers on the further 18,500.

[3] The Ministry had an $8.3 million underspend as we were only charged for active connections.

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10. While significant all-of-Government work is underway on the broader systemic issue of 'closing the digital divide', suitable equitable digital access solutions are unlikely to be available prior to 2025.

11. Annex 1 shows how our Equitable Digital Access support works in parallel with the Department of Internal Affairs' long-term Digital Inclusion in Social Housing Initiative. With this initiative, DIA aim to provide internet connections, devices, and any necessary skills and training to all low-income households with children from 2025 onwards. In the interim, additional resilience for the education system may be necessary for learner households while COVID-19 resurgence remains an immediate risk.

12. The Ministry understands that 2021/22 funding for the above initiative has been exhausted by DIA. Moreover, the present focus for the Digital Inclusion in Social Housing Initiative is on providing internet connections for social housing tenants and therefore does not specifically target or necessarily include learner households in need.

Maintaining pandemic readiness

13. Our work has put in place infrastructure and access to the internet for many whānau across the country. However, the timeframe in which we can continue such provisions is limited by available funding. Existing contractual arrangements with internet service providers (ISPs) are all set to expire on 31 December 2021.

14. Further COVID-19 related school or kura closures will greatly disrupt learning continuity. Options for enhanced resilience in the face of further disruption include extending existing Ministry-funded internet connections until the end of June 2022 at a cost of approximately $20 million in operating balance and/or net core Crown debt.

15. Treasury's initial advice is that you would need to seek Cabinet approval for additional funding to extend all 47,000 allocated Ministry-funded internet connections (and any additional households) as a pre-commitment against the Budget 2022 operating allowance. Alternatively, the cost might be charged to the CRRF. Either funding option would need to be confirmed by 25 November 2021 so all expiring internet connections could be extended in time.

16. This funding would extend the 40,000 internet connections currently allocated as well as the 7000 estimated additional connections identified since August 2021. Extending these connections to 30 June 2022 will cost an estimated $18.3 million in operational expenditure plus $1.7 million in departmental expenditure.

17. 9(2)(j), 9(2)(g)(i) [redacted]

18. Disconnecting learner households in December 2021 may compromise the continuity of learning for those reliant on this support. The expiry of these internet connections also represents a wider impact on these learners' whānau, whose households may lose the ability to participate in, contribute in, and benefit from a digital world.

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19. In August 2021, Cabinet approved funding to purchase up to 7,000 new internet connections, at a total cost of $2 million. Cabinet also approved the immediate funding of $4.02 million to purchase an additional 7,000 fit-for-education devices [CAB-21-MIN-0329 refers]. Should Ministry-funded internet connections for learners' households expire in December 2021, the benefits of these additional provisions will be short-lived.

20. We anticipate some change in demand for internet connections from new and moving learners at the start of the 2022 school year. However, we estimate the net demand for new connections in 2022 to be relatively small in addition to the 7000 new households connected from August 2021 in the Ministry's most recent distance learning response.

21. It is our intention to submit a bid 9(2)(f)(iv) for Budget 2022 9(2)(f)(iv) This connectivity work will provide temporary relief but not resolve longstanding issues affecting digital equity. While significant all-of-Government work is underway on the broader systemic issue of 'closing the digital divide', suitable equitable digital access solutions are unlikely to be available prior to 2025. In the interim, the Ministry suggests additional resilience be developed for the education system while COVID-19 resurgence remains an immediate risk.

22. The Department of Internal Affairs are leading work on the next steps to close the digital divide. The Ministry will continue to work closely with them on how not lose the gains made through our efforts in response to Covid-19 Alert Level changes.

23. Over 2021, the Ministry has been working with teachers, learners, parents and whānau across Aotearoa to evaluate the impact which access to the internet and fit-for-education devices has on educational and wider social outcomes [METIS 1248643 refers]. While findings are currently being finalised (and we expect to share these with you in November), preliminary indications are that access to devices and connections provided positive benefits for both learners and their whānau.

24. While the Ministry has previously been able to reprioritise existing, underspent project funding to extend household internet subscriptions, no such option is currently available to us. We are conscious that you are currently considering advice concerning the reprioritisation of existing funding towards 'urgent measures to re-engage students in education' [METIS 1273949 refers]. This advice has progressed through to Cabinet consideration ahead of this proposal to further extend internet connections and will exhaust funding available for reprioritisation. Unfortunately, this means that additional funding is required to enact the recommendations in this report.

Risks

25. The rationale for extending internet subscriptions through 2022 relies on the availability of cross-agency equitable digital access solutions to which affected whānau could transition to. If solutions remain unavailable, there is an ongoing risk of disruption to learning when this funding is exhausted.

26. Should Ministry-funded internet connections expire in December 2021, in the event of further COVID-19 related disruptions to learning, 9(2)(j)

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27. There remains a continued interest from the wider education sector, other government agencies and media in closing the 'digital divide'. COVID-19 has exacerbated social inequities across New Zealand. Evidence showed that learners of Māori or Pasifika ethnicity, from low socio-economic households, or those faced with disabilities were at times disproportionality limited in their access to education over the 2020 school year. Learners living in rural communities were also less likely to have access to reliable and affordable internet access because of limited digital infrastructure.

28. In taking no action, the most significant risk is that learners in affected households will lose access to online learning opportunities and will need to rely exclusively on school and kura provision in the event of further COVID-19 related disruptions to learning.

29. If an extension is not agreed to, the Ministry will recommend low-cost internet providers to all affected households. It will then be up to families and whānau to consider their own retail service arrangements.

Proactive Release

30. The Ministry does not intend to proactively release this Education Report at this time while Budget 2022 decisions are still under active consideration. When it can be released, any commercially sensitive information should be withheld, as per Official Information Act 1982, s 9 (2)(b) and s 9 (2)(i).

Annexes

Annex 1: Potential short and long-term focus for the Digital Inclusion in Social Housing initiative and wider landscape, Department of Internal Affairs

Annex withheld under s9(2)(g)(i) of the OIA

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