

Reference: 20190266



11 July 2019

s9(2)(a)

Thank you for your Official Information Act request, received on 15 May 2019. You requested the following:

Any memos, reports or briefing notes, including drafts, prepared by officials relating to the discussion around costings and feasibility of ACC extending cover to mental injury.

I imagine government agencies concerned will include ACC, Treasury and possibly the Ministry of Health.

A treasury official has since been in touch and confirmed with you the scope of this request could be refined to:

Any memos, reports or briefing notes, including drafts, prepared by officials since 19 November 2008 directly relating to the discussion around costings and feasibility of extending cover to mental injury.

The timeframe to make a decision on your request was extended by 20 working days until 11 July 2019. The extension was due to the consultations that needed to be made regarding your request.

The Ministry of Business, Innovation and Employment (MBIE) are the policy lead in regards to ACC. The Treasury did not receive any funding requests from them on this topic until the events in Christchurch on 15 March 2019.

Information Being Released

Please find enclosed the following documents:

Item	Date	Document Description	Decision
1.	15 April 2019	Treasury Report_ Briefing for Cabinet Business Committee, 15 April 2019	Release in part

1 The Terrace
PO Box 3724
Wellington 6140
New Zealand
tel. +64-4-472-2733

<https://treasury.govt.nz>

I have decided to release the relevant parts of the documents listed above, subject to information being withheld under one or more of the following sections of the Official Information Act, as applicable:

- names and contact details of junior officials and certain sensitive advice, under section 9(2)(g)(i) – to maintain the effective conduct of public affairs through the free and frank expression of opinions,
- direct dial phone numbers of officials, under section 9(2)(k) – to prevent the disclosure of information for improper gain or improper advantage.

We have redacted the direct dial phone numbers of officials under section 9(2)(k) in order to reduce the possibility of staff being exposed to phishing and other scams. This is because information released under the OIA may end up in the public domain, for example, on websites including Treasury's own website.

Please note some information from the released document has been redacted because it is not covered by the scope of your request.

In addition, a separate tagged contingency for the Christchurch response initiatives (referred to in the briefing) was deemed unnecessary as Ministers considered sufficient resource could be put aside in the normal way using a wider Between Budget Contingency.

Information Publicly Available

The following information is also relevant to your request and is publicly available on the MBIE's and Ministry of Social Development's website:

Item	Date	Document Description	Website Address
1.	2 July 2019	MSD Cabinet Paper	https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/information-releases/extending-financial-assistance-affected-by-the-christchurch-terrorist-attacks.html
2.	5 July 2019	MBIE Cabinet Paper	https://www.mbie.govt.nz/document-library/?subtopic[31]=31&topic[6]=6&type[64]=64

The MBIE Cabinet paper has no direct link we can provide, however you can search their publications with the link provided. The title of the Cabinet paper is: Extended mental health support for those affected by the 15 March 2019 terrorist attack.

Please note that this letter (with your personal details removed) and enclosed documents may be published on the Treasury website.

This reply addresses the information you requested. You have the right to ask the Ombudsman to investigate and review my decision.

Yours sincerely

Jess Hewat
Manager, Health & ACC

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BUDGET SENSITIVE

TE TAI ŌHANGA
THE TREASURY

Treasury Report: Briefing for Cabinet Business Committee, 15 April 2019

Date:	12 April 2019	Report No:	T2019/1107
		File Number:	MS-5-3-CBC

Action Sought

	Action Sought	Deadline
Minister of Finance (Hon Grant Robertson)	Read prior to the Cabinet Business Committee meeting	1:00 pm, Monday 15 April 2019
Associate Minister of Finance (Hon Dr David Clark)	Read prior to the Cabinet Business Committee meeting	1:00 pm, Monday 15 April 2019
Associate Minister of Finance (Hon David Parker)	Read prior to the Cabinet Business Committee meeting	1:00 pm, Monday 15 April 2019
Associate Minister of Finance (Hon Shane Jones)	Read prior to the Cabinet Business Committee meeting	1:00 pm, Monday 15 April 2019
Associate Minister of Finance (Hon James Shaw)	Read prior to the Cabinet Business Committee meeting	1:00 pm, Monday 15 April 2019

Contact for Telephone Discussion (if required)

Name	Position	Telephone	1st Contact
s9(2)(g)(i)	Analyst, Office of the Executive	s9(2)(k)	✓
Nicky Lynch	Team Leader, Office of the Executive		

Actions for the Minister's Office Staff (if required)

Return the signed report to Treasury.

Note any feedback on the quality of the report

Enclosure: No

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Treasury Report: Briefing for Cabinet Business Committee, 15 April 2019

The Treasury is aware of three items on the Cabinet Business Committee agenda for 15 April 2019. The table below provides Treasury comment and recommendations on these items, and identifies any relevant fiscal impacts.

Deleted - Not Relevant to Request

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Extended Mental Health Support for those affected by the Christchurch Terror

Treasury contact: s9(2)(g)(i)

Description: This paper seeks agreement to expand ACC cover to mental injuries caused by the 15 March terror attacks.

<p>ACC currently only covers mental injury in three specific circumstances:</p> <ul style="list-style-type: none"> • if the mental injury is a result of a physical injury • if the mental injury occurred from a single event while at work, or • if the mental injury is a sensitive claim (sexual assault). <p>There are disparities between support provided by ACC and other public services. In particular, ACC claimants receive 80% of their earnings in weekly compensation while they are off work, which is much higher than support from MSD. Therefore there is pressure to expand ACC cover to wider groups.</p> <p>The major risk of this paper is the precedent set in expanding cover for a specific event. A very narrow portion of mental health injuries are covered at present, and there are a number of other cases, such as the Christchurch earthquakes, where the same arguments for expansion could be made. Expanding cover as a one-off will raise questions about fairness and which other groups may deserve further support. The precedent could be set to expand the scheme to cover other groups. This response is ad hoc, could undermine a principled policy discussion on where the boundary should lie, and the repercussions are potentially very expensive. For example, in similar Australian schemes, primary mental health claims make up ~12% of claims, but cost almost twice as much per claim, and 45% of claimants remain off work after six months.</p> <p>We are concerned that the proposed approach has failed to take into account the overall system perspective, and that it is more appropriate to use the Health and welfare systems to support victims of this attack, as was done in response to the Christchurch earthquakes.</p> <p>There is a case to expand cover permanently, and to take a more principled approach to when cover should be provided. Policy decisions should take into account the health and disability system review, the WEAG report, and the mental</p>	<p>This paper seeks a pre-commitment of \$10.8 million over the forecast period, from the Budget 2019 operating allowance. This will decrease OBEGAL and increase net debt.</p> <p>Note this item is not currently included in the Budget package.</p> <p>If funding was sought from the tagged contingency for the Christchurch response, there would be no OBEGAL or net debt impact.</p>	<p>Do not support.</p> <p>If Ministers wish to proceed, Table an alternative recommendation at Cabinet that recommends funding this policy from the tagged contingency set aside for the Christchurch response (See Annex).</p>
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Comments	Fiscal implications	Treasury Recommendation
health inquiry response. This is likely to be a longer piece of work, particularly due to the complexity and changing nature of mental health need (as demonstrated in Australian schemes).		
Deleted - Not Relevant to Request		

Recommended Action

We recommend that you read this report prior to the Cabinet Business Committee meeting on 15 April 2019.

Nicky Lynch
Team Leader, Office of the Executive

Hon Grant Robertson
Minister of Finance

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Annex: Alternative recommendation for the item “Extended Mental Health Support for those affected by the Christchurch Terror”

Replace recommendation 21 with:

21. **Agree** that the expenses incurred under recommendation 19 above be charged against the Responding to the 15 March Terror Attacks tagged contingency established through Budget 2019.

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