

The Treasury

Budget 2020 Information Release

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Cabinet Document Details

Title: **Cabinet Minute CAB-20-MIN-0219.25: COVID-19: Response and Recovery Fund Foundation Package: Vote Social Development**

Date: **11 May 2020**

Creator: Cabinet Office

Information Withheld

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act).

Where this is the case, the relevant sections of the Act that would apply have been identified.

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Key to sections of the Act under which information may have been withheld:

- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
- [2] 6(b)(i) - to avoid prejudice the entrusting of information to the Government of New Zealand on a basis of confidence by the Government of any other country or any agency of such a Government
- [4] 6(c) - to avoid prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
- [11] 6(e)(vi) - to prevent serious damage to the economy of New Zealand by disclosing prematurely decisions to change or continue government economic or financial policies relating to the entering into of overseas trade agreements
- [23] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [25] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [26] 9(2)(ba)(i) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied
- [27] 9(2)(ba)(ii) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest

- [29] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [31] 9(2)(f)(ii) - to maintain the current constitutional conventions protecting collective and individual ministerial responsibility
- [33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [36] 9(2)(h) - to maintain legal professional privilege
- [37] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [40] not in scope
- [41] 18(c)(i) - that the making available of the information requested would be contrary to the provisions of a specified enactment
- [42] 18(d) - information is already publicly available or will be publicly available soon.

Where information has been withheld, a numbered reference to the applicable section of the Act has been made, as listed above. For example, a [23] appearing where information has been withheld in a release document refers to section 9(2)(a).

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Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

COVID-19: Response and Recovery Fund Foundation Package: Vote Social Development

On 11 May 2020, Cabinet:

- 1 **approved** the initiatives in the attached initiative documents for the above Vote for inclusion in the COVID-19 Response and Recovery Fund foundation package;
- 2 **agreed** to establish new appropriations where required to implement the initiatives;
- 3 **approved** changes to appropriations and/or capital injections to the administering department (where applicable) to implement the initiatives, as set out in the attached initiative documents;
- 4 **approved** the additional recommendations to give effect to the initiatives, as set out in the attached initiative documents;
- 5 **agreed** that the changes to appropriations and/or capital injections for 2019/20 be included in the Addition to the 2019/20 Supplementary Estimates, and the changes to appropriations and/or capital injections for 2020/21 be included in the 2020/21 Supplementary Estimates, and that, in the interim, the increases be met from Imprest Supply;
- 6 **authorised** the Minister of Finance and the Appropriation Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the Addition to the 2019/20 Supplementary Estimates;
- 7 **authorised** the Chief Executives of departments that monitor Crown entities directly affected by decisions in this minute to inform the chair and/or chief executive of a Crown entity, on an in-confidence-until-announcement basis, of decisions that directly affect that Crown entity for the purpose of planning and preparation of their Statement of Intent;
- 8 **noted** that all communications relating to the COVID-19 Response and Recovery Fund and any requests for early announcement must have both the written approval of the Minister of Finance and sign-off from the Prime Minister's office.
- 9 **agreed** that any underspends related to the amounts appropriated for all Vote Social Development initiatives funded by the COVID-19 Response and Recovery Fund be returned to the centre;

[33]

Michael Webster
Secretary of the Cabinet

Initiative No: 12608

Vote: Social Development

Title: Continuing He Poutama Taitamariki for Young People

Description: This initiative provides employment and other support to young people in Northland who are most at risk of long-term unemployment and poor social outcomes. This will be achieved by supporting approximately 2,500 participants to find a future through work, training and new opportunities, with more intensive support for a minimum of 750 young people aged 18–24 and specialist assistance for a smaller group of young people aged 15-17. This group will likely also be disproportionately affected by the impacts of COVID-19.

Appropriation Changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	3.028	2.907	2.937	2.969
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	3.028	2.907	2.937	2.969

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Departmental Output Expense:					
Data, Analytics and Evidence Services (funded by revenue Crown)	-	0.250	0.100	0.100	0.100
Multi-Category Expenses and Capital Expenditure:					
Improved Employment and Social Outcomes Support (MCA)					
<i>Departmental Output Expense:</i>					
Improving Employment Outcomes (funded by revenue Crown)	-	2.778	2.807	2.837	2.869
Total Operating	-	3.028	2.907	2.937	2.969

Initiative No: 12676

Vote: Social Development

Title: COVID-19: Building Financial Capability Services to Assist the Recovery of Individuals and Whānau Impacted

Description: This initiative provides support to key groups experiencing or at risk of experiencing hardship by strengthening Building Financial Capability (BFC) services. This will be achieved through strengthening and ensuring the sustainability of 133 Building Financial Capability providers to maintain their services during a time of expected increase in demand due to COVID-19.

Appropriation Changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	11.402	13.810	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	11.402	13.810	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Community Support Services (MCA)					
<i>Non-Departmental Output Expense:</i>					
Community Support and Advice	-	11.402	13.810	-	-
Total Operating	-	11.402	13.810	-	-

Initiative No: 12701

Vote: Social Development

Title: COVID-19: Building Māori Partnerships to Strengthen Social and Economic Wellbeing

Description: This initiative strengthens and builds partnerships between the Ministry of Social Development and hapū/iwi organisations, enabling them to deliver urgent support to whānau affected by COVID-19. This will be achieved through the establishment of a fund enabling a for Māori by Māori approach with a specific focus on supporting mobilisation of services and networks during lockdown, co-investing in initiatives that support whānau affected by COVID-19 and supporting co-design of local recovery phase services.

Appropriation Changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	5.000	5.000	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	5.000	5.000	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Community Support Services (MCA)					
<i>Non-Departmental Output Expense:</i>					
Community Support and Advice	-	5.000	5.000	-	-
Total Operating	-	5.000	5.000	-	-

[42]

Initiative No: 12700

Vote: Social Development

Title: COVID-19: Investing in the Resilience and Recovery of Communities Affected by COVID-19

Description: This initiative supports communities to enhance their wellbeing through connectedness and social cohesion. This will be achieved by strengthening community groups with a specific focus on enabling Māori, Pacific, refugee and migrant communities to respond to and more readily recover from the current and anticipated impacts of the COVID-19 crisis. Community groups are not traditional providers, instead they are made up of a cross-section of the local community, and public or population interest groups. The Ministry of Social Development and Department of Internal Affairs will work together on the allocation/ distribution of funding.

Appropriation Changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	18.000	18.000	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	18.000	18.000	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Community Support Services (MCA)					
<i>Non-Departmental Output Expense:</i>					
Community Support and Advice	-	18.000	18.000	-	-
Total Operating	-	18.000	18.000	-	-

Initiative No: 12683

Vote: Social Development

Title: COVID-19: Investing in the Resilience and Recovery of Providers Affected by COVID-19

Description: This initiative will invest in the capability and resilience of existing providers to enable them to respond to and more readily recover from the current and anticipated impacts of COVID-19. This funding will enable providers to strengthen their organisational capability, such as providing health and safety resources and implementing processes to continue to operate within the COVID-19 restrictions and adapt as we move throughout the different alert levels. This investment would stabilise the sector from the impacts of COVID-19 to continue to provide services to those who are already accessing their services and for new clients emerging as result of the impacts of COVID-19.

Appropriation Changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	15.000	7.000	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	15.000	7.000	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Community Support Services (MCA)					
<i>Non-Departmental Output Expense:</i>					
Community Support and Advice	-	15.000	7.000	-	-
Total Operating	-	15.000	7.000	-	-

Initiative No: 12679

Vote: Social Development

Title: COVID-19: Providing Support for Foodbanks, Food Rescue and Community Food Services in the COVID-19 Recovery

Description: This initiative directly responds to an estimated additional 500,000 individuals and families impacted by COVID-19 who are struggling to afford food. Funding will increase support of foodbanks, food rescue and other community food services, and support leveraging surplus donated food from food producers, manufacturers and suppliers that would otherwise go to landfill.

Appropriation Changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	2.000	15.000	15.000	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	2.000	15.000	15.000	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Community Support Services (MCA)					
<i>Departmental Output Expense:</i>					
Developing and Managing Community Services (funded by revenue Crown)	-	0.600	0.600	-	-
<i>Non-Departmental Other Expense:</i>					
Community Response to Adverse or Emergency Events	2.000	14.400	14.400	-	-
Total Operating	2.000	15.000	15.000	-	-

Initiative No: 12673

Vote: Social Development

Title: COVID-19: Responding to Increased Demand for Family Violence Services

Description: This initiative will provide one-off grants for 200 family violence providers to increase their capacity and ensure they are prepared to respond to an expected increase in need for services as a direct result of COVID-19. [33]

Appropriation Changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	9.100	3.500	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	9.100	3.500	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Community Support Services (MCA)					
<i>Non-Departmental Output Expenses:</i>					
Participation and Support Services for Seniors	-	0.800	-	-	-
Supporting Victims and Perpetrators of Family and Sexual Violence	-	8.300	3.500	-	-
Total Operating	-	9.100	3.500	-	-

Initiative No: 12587

Vote: Social Development

Title: Delaying the Implementation of the New Zealand Superannuation and Veteran's Pension Legislation Amendment Bill

Description: This initiative provides funding to delay the implementation of the New Zealand Superannuation and Veteran's Pension Legislation Amendment Bill. This will enable the Ministry of Social Development to respond to the significant demand on resources as a result of COVID-19.

Appropriation Changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	4.683	10.296	8.077	6.544
Debt Impact	-	-	-	-	-
No Impact	-	0.644	1.435	1.125	0.911
Total	-	5.327	11.731	9.202	7.455

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Benefits or Related Expenses:					
Jobseeker Support and Emergency Benefit	-	(0.098)	(0.213)	(0.164)	(0.130)
Jobseeker Support and Emergency Benefit	-	(0.812)	(1.771)	(1.361)	(1.081)
New Zealand Superannuation	-	0.859	1.904	1.485	1.197
New Zealand Superannuation	-	6.470	14.201	11.077	8.926
Supported Living Payment	-	(0.122)	(0.266)	(0.205)	(0.163)
Supported Living Payment	-	(1.015)	(2.214)	(1.701)	(1.351)
Veterans' Pension	-	0.005	0.010	0.009	0.007
Veterans' Pension	-	0.040	0.080	0.062	0.050
Total Operating	-	5.327	11.731	9.202	7.455

Additional recommendation

15 **noted** that this initiative has tax implications;

Initiative No: 12589

Vote: Social Development

Title: Expand and Strengthen Existing Employment Services to Support more Disabled New Zealanders into Employment

Description: This initiative aims to enhance the employment outcomes of disabled individuals by expanding successful employment services. This will be achieved by increasing the capacity of services, making services available to young people in their final two years of school, and further upskilling jobseekers currently enrolled who face additional barriers to employment.

Appropriation Changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	6.250	6.250	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	6.250	6.250	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Non-Departmental Output Expense:					
Community Participation Services	-	6.130	6.130	-	-
Multi-Category Expenses and Capital Expenditure:					
Improved Employment and Social Outcomes Support (MCA)					
<i>Departmental Output Expense:</i>					
Improving Employment Outcomes (funded by revenue Crown)	-	0.120	0.120	-	-
Total Operating	-	6.250	6.250	-	-

Vote: Social Development

Title: Transfer of Funding to meet Current Demand Levels for the Community Awareness and Preparedness Fund (CAP FUND)

Description: This initiative seeks funding of \$960,000 appropriated in 2020/21 for the Community Awareness and Preparedness fund (CAP FUND) to be brought forward to 2019/20. The CAP FUND provides support to community groups with innovative local solutions, building community resilience and wellbeing and to help through challenges communities may face in the coming months due to COVID-19. The funds need to be brought forward to help meet a significantly higher demand for the funds than was originally anticipated. Additionally, \$1.1 million allocated for E Tu Whānau and Pasefika Proud in 2020/21 will be brought forward to 2019/20 and re-prioritised for the CAP FUND.

Appropriation Changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	2.060	(2.060)	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	2.060	(2.060)	-	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Community Support Services (MCA)					
<i>Non-Departmental Output Expense:</i>					
Community Support and Advice	-	(1.100)	-	-	-
<i>Non-Departmental Other Expense:</i>					
Community Response to Adverse or Emergency Events	2.060	(0.960)	-	-	-
Total Operating	2.060	(2.060)	-	-	-

Initiative No: 12590

Vote: Social Development

Title: The Construction Accord: Expanding Skills for Industry Initiative (COVID-19 Response)

Description: This initiative will expand employment services provided to targeted groups through key partnerships under the Construction Accord Skills for Industry initiative. This will be achieved by engaging with partners, supporting planning for services whose delivery has been effected by COVID-19, piloting the Mayor's Taskforce for Jobs initiative and positioning the Ministry of Social Development to engage with the sector and employer and provider partners to support the Government-led recovery and help reduce the impact of COVID-19.

Appropriation Changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	4.000	27.800	27.800	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	4.000	27.800	27.800	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Improved Employment and Social Outcomes Support (MCA)					
<i>Departmental Output Expense:</i>					
Improving Employment Outcomes (funded by revenue Crown)	4.000	27.800	27.800	-	-
Total Operating	4.000	27.800	27.800	-	-

Initiative No: 12799

Vote: Social Development

Title: Emergency Financial Assistance for Caregivers in Response to COVID-19: Base Rate Increase

Description: This initiative seeks funding to increase the rates of the Foster Care Allowance (FCA), Orphan's Benefit (OB) and Unsupported Child's Benefit (UCB) by \$25.00 per week per child.

Appropriation Changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	26.610	27.512	29.264	31.111
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	26.610	27.512	29.264	31.111

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Benefits or Related Expense:					
Orphan's/Unsupported Child's Benefit	-	26.610	27.512	29.264	31.111
Total Operating	-	26.610	27.512	29.264	31.111

Additional Recommendation

16 **noted** that related funding has also been provided through Vote Oranga Tamariki (Initiative 12628);

Initiative No: 12798

Vote: Social Development

Title: Emergency Financial Assistance for Caregivers in Response to COVID-19: Supporting Stability and Care

Description: This initiative seeks funding to deliver a package of support to caregivers to respond to the challenges and pressures as a result of COVID-19. The initiative provides funding for: additional provision of approved respite care so that caregivers of children in State care continue to receive the Foster Care Allowance (FCA) for up to 20 days while the child they care for is in respite care; caregivers who may provide care for less than 12 months to access the Orphan's Benefit (OB) and Unsupported Child's Benefit (UCB); and an extension of the Birthday and Christmas Allowances to OB and UCB caregivers.

Appropriation Changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	2.601	13.982	22.622	24.180
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	2.601	13.982	22.622	24.180

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Benefits or Related Expense:					
Orphan's/Unsupported Child's Benefit	-	2.601	13.982	22.622	24.180
Total Operating	-	2.601	13.982	22.622	24.180

Additional Recommendation

17 **noted** that related funding has also been provided through Vote Oranga Tamariki (Initiative 12626);

Initiative No: 12595

Vote: Social Development

Title: Supporting Offenders into Employment Phase Two

Description: This initiative strengthens and expands employment services targeted towards individuals on remand awaiting their court appearance and who were previously in employment. This will improve employment and wellbeing outcomes for recently released prisoners, and reduce the risk of reoffending by providing them with long-term, intensive, wrap around support. It will improve prison release processes between the Department of Corrections and the Ministry of Social Development as well as improve reporting on outcomes and collaboration with other agency partners.

Appropriation Changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	6.424	5.484	-	-
Debt Impact	-	0.244	-	-	-
No Impact	-	-	-	-	-
Total	-	6.668	5.484	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Capital Injection:					
Ministry of Social Development - Capital Injection	-	0.244	-	-	-
Multi-Category Expenses and Capital Expenditure:					
Improved Employment and Social Outcomes Support (MCA)					
<i>Departmental Output Expense:</i>					
Improving Work Readiness Outcomes (funded by revenue Crown)	-	6.424	5.484	-	-
Total Operating	-	6.424	5.484	-	-
Total Capital	-	0.244	-	-	-

[42]