

# The Treasury

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### Cabinet Document Details

Title: **Cabinet Paper CAB-20-SUB-0219: COVID-19 Response and Recovery Fund Foundational Package**

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## **COVID-19 RESPONSE AND RECOVERY FUND FOUNDATIONAL PACKAGE**

### **Proposal**

1. This paper seeks approval for the May 2020 Package of funding from the COVID-19 Response and Recovery Fund.

### **Executive Summary**

2. COVID-19 has caused an unprecedented economic and health crisis, impacting on all New Zealanders. We can be proud of the country's response that has seen us come together to break the chain of transmission and to save lives. Our economic response has been swift and practical, with support for households and businesses that have kept people in work and supported those in need.
3. However, this is a one in one hundred year crisis. The effects will be felt for some time to come. Around the world we are seeing economies all but grind to a halt, and millions of jobs and businesses are being lost. While we have done comparably better in New Zealand we will still see tens of thousands of New Zealanders lose their jobs, sectors and businesses decimated, and massive spikes in the use of foodbanks and social services.
4. These significant economic impacts will be felt in the months ahead. The impacts are likely to particularly affect lower income workers and young people who are just entering the labour market. Māori and Pacific people are a disproportionate share of these groups. The government has a major task at hand in responding to this crisis.
5. Our initial response was the \$12.1 billion package announced on March the 17<sup>th</sup>. In addition on April 6<sup>th</sup> the Cabinet established the \$50 billion COVID-19 Response and Recovery Fund (CRRF). This fund has already been used to support extensions of the wage subsidy scheme, establish the Business Finance Guarantee Scheme, support for SMEs and further support for the Health Sector.

6. This paper proposes the next steps in the Government's response and recovery programme through a foundational package of investments to be announced on Budget Day. While these measures are critical foundations, there is going to be an ongoing need for fiscal support. It is my intention that there will be future rounds of spending in the coming months, to position the economy for recovery and the longer-term rebuild. Proposals that have been submitted but not funded in this process will be further developed and considered for these rounds of funding.
7. There is also an opportunity through the CRRF for us to place our shared vision and priorities for New Zealand at the heart of the COVID-19 recovery. We can both address the immediate crisis, and reset and revitalise the economy, thereby improving the wellbeing of New Zealanders and their families, and providing new leadership in government.
8. This package focuses on keeping New Zealanders in work through a targeted extension to the wage subsidy scheme, and providing opportunities for jobs in a range of sectors, including a significant programme of environment and conservation related work. It supports New Zealanders to undertake training, including in apprenticeships and workplace training. It allocates funding for an infrastructure boost, housing and community wellbeing. The total package of funding proposed in this paper is worth around \$15.9 billion. Together with the investments we have made to date, this leaves around \$20.0 billion remaining in the CRRF for future activities.

### **Fiscal Outlook and Strategy**

9. COVID-19 has required a change in the Government's fiscal strategy. As a result of both the economic impact of the shock and our spending in response, net core Crown debt is currently forecast to rise to just below 54% of GDP by 2022/23. The operating balance before gains and losses (OBEGAL) will also be in deficit for the forecast period. These forecasts already assume the \$50 billion CRRF is spent in full over the forecast period, so will not be substantially affected by the package proposed in this paper.
10. Running operating deficits and allowing net core Crown debt to increase in the short-term is necessary as we fight the virus, cushion the impact on businesses and workers, and position ourselves for the recovery. It is particularly important fiscal policy plays a large role responding to this crisis, given the limited space available for monetary policy.

11. New Zealand is able to substantially respond to COVID-19 while continuing to maintain one of the strongest fiscal positions held by an advanced economy, owing to the strong starting position before the onset of the COVID-19 pandemic. Though fiscal outlooks across the world are highly uncertain, the IMF's projections as of early April forecast New Zealand's debt to GDP ratio to remain around 80 percentage points below the average for G20 advanced economies, including 19 percentage points below Australia, 67 percentage points below the United States and 65 percentage points below the United Kingdom.<sup>1</sup>

### **Purpose and Phasing of the CRRF**

12. The purpose of the CRRF is to provide a fund to support New Zealanders through each stage of the impact of the virus. It is designed to not only support the immediate response but also provide support over the longer term to rebuild our economy and society.
13. A portion of the fund has already been allocated in our immediate response. It is important that we spend the money carefully to have the maximum impact on New Zealanders well-being in the future. In total, The Treasury have factored into the fiscal forecasts that we will spend an additional \$62.1 billion across the forecast period.
14. Our approach to making decisions on expenditure under the fund also needs to take into account the evolving nature of the impact of COVID-19. Our economic response to the crisis so far has continually adapted as we have traced the likely impact. [33]
15. It will be important on Budget Day to provide a clear sense of direction on the use of the fund. This will include highlighting sectors and initiatives where further funding is likely. This will give confidence to investors, businesses and workers of where the economy is heading.

### **CRRF Decisions to date**

16. The CRRF was established by Cabinet on 6 April, with \$50 billion set aside to manage the fiscal costs of our response to, and recovery from, COVID-19. This is additional to the Economic Response Package of \$12.1 billion announced on 17 March.

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<sup>1</sup> These figures are based on the IMF's measure of general government net debt, which differs from the measure of net core Crown debt usually used in New Zealand. Note these projections will change substantially as fiscal responses to COVID-19 develop. In particular, these projections do not yet capture the full fiscal policy response implemented in New Zealand.

17. To date, Cabinet has agreed the allocation of around \$14.1 billion of the CRRF to specific initiatives. These initiatives included:
  - 17.1 \$6.9 billion for extending the Wage Subsidy Scheme;
  - 17.2 \$538 million for the estimated cost to the Crown of the Business Finance Guarantee Scheme;
  - 17.3 \$1.9 billion for the initial package of SME support measures announced on 15 April; and
  - 17.4 \$1.6 billion on initial packages to support the health response, employment attachment, increasing resources for the vulnerable, and businesses' access to finance.
18. The costs of the Small Business Cashflow Scheme announced on 1 May, are still being finalised. The indicative fiscal cost is around \$3.2 billion.
19. The next steps in the response and recovery need to include measures that will continue to provide support to businesses and households, clear the pathway for the sectors and communities most affected by COVID-19, and lay the foundation for long-term sustainable economic growth.

### **Immediate Term Support**

20. The Wage Subsidy Scheme has provided more than \$10 billion of support to 1.7 million New Zealanders. It has kept them employed and provided much needed support to businesses. It finishes on the 9<sup>th</sup> of June. While many more people have returned to work under Level 3 and more will do so under Level 2, there are many businesses who are considering right now whether they will be able to continue with significantly reduced revenue, restrictive trading conditions, and the legacy of up to seven weeks with no earnings.
21. Therefore there is some need for urgency in taking a decision on what follows on from the Wage Subsidy Scheme. We have a considerable risk that if we do not announce further immediate term support, the abrupt end of the scheme will result not only be a rapid increase in unemployment, but a significant demand shock to the economy. Cabinet has delegated to Joint Ministers the approval of the COVID Income Relief Payment to provide short term support for those who lose their jobs, but that does not keep people in work or support businesses who are in the most effected sectors.
22. [33]

[33]

23.1 [33]

24. [33]

25. It is my view that a targeted extension of the wage subsidy scheme will provide further stimulus to the economy, keep people in work and give businesses more time as we move through Alert Level 2 to re-establish or re-orientate their business. In some sectors such as tourism, hospitality, events and retail they are still very limited in what activity they can undertake. No extension to the scheme for them will see significant business failure and job loss.
26. Targeting the scheme on a sector basis is very challenging. The boundaries of where a sector starts or finishes is very hard to define. Is the service station owner in Kaikoura in the tourism business? Or the supplier to a restaurant or bar in the hospitality sector? My preference is to target on the basis of the impact of COVID-19 on a business, but in a more strict way than in the first phase of the scheme.
27. My proposal is for an eight week extension of the wage subsidy scheme for businesses who have suffered a 50% reduction in turnover over the 30 days prior to application. The Treasury estimate that this would cost between \$2.6 and \$3.2 billion.
28. An extension of eight weeks balances benefits of giving firms more time to adjust with the potential adverse effects on labour reallocation. Setting the bar at a 50% reduction in turnover ensures we are targeting support to the most adversely impacted firms.

29. It would be possible to add a range of conditions to the payment, but as we have learned with the first round of the scheme this will make implementation difficult.
30. It will be important that businesses who are trading through this pay their staff their full pay and use the subsidy to support those wages. For those who have no revenue the current conditions of the scheme should apply (that they must at least pass on the full value of the subsidy), or the employee's usual wages, if there are less than the subsidy. MSD may wish to give further advice as to the lessons they have learned from the first phase of the scheme that could be built into the design for this extension.
31. It is important we take decisions on the future of the wage subsidy scheme now. Businesses are already making staffing decisions for when the wage subsidy ends. Providing assurance of ongoing support now will help avoid unnecessary job losses

### **Relation to government priorities**

32. *Our Plan*, released in September 2018 sets out the Coalition Government's twelve priority outcomes to build a modern and prosperous New Zealand. To ensure that we build on and accelerate the progress we have made towards these goals, I have aligned the package of measures presented in this paper with the priorities of *Our Plan*.
33. The government's network of science advisors agree that there is an opportunity to place long-term transformational goals at the heart of the COVID-19 recovery, keeping communities and the wellbeing of the collective at the forefront, and drawing from the evidence-based advice that recent reviews have provided us.

### **Foundational Package**

34. The development of this package was based on submissions from Ministers and agencies under the response, recovery and rebuilding framework. This consists of three connected waves of response. The main focus of this package is on the first two waves. Further initiatives particularly those focused on the longer term rebuild of the New Zealand economy will be part of subsequent funding rounds.
35. The package of measures in this paper has eight focus areas reflecting the key issues that will support New Zealanders' wellbeing through the immediate shock and the rebuild to a more productive, sustainable and inclusive economy. They are:

35.1 Education, Training and Jobs

35.2 Infrastructure



- 35.3 Housing
- 35.4 Business Support
- 35.5 Environment and Energy
- 35.6 Community Wellbeing
- 35.7 Income Support
- 35.8 Sector Recovery

#### *Education, Training and Jobs*

- 36. The education and training system has been significantly impacted by the COVID-19 response. It will also play a key role in supporting New Zealand's recovery as we seek to provide training and retraining for those who lose their jobs or entering the labour market. This package includes significant investments in apprenticeships, other training and employment services. It will be added to in future tranches of funding.
- 37. Key initiatives include:
  - 37.1 *Trades Training Package (\$1.444 billion operating)*. This would be a flagship package that will provide opportunities for New Zealanders of all ages to receive trades training. It will include support for employers to retain apprentices, fees-free support for trades training in critical industries, increased funding to meet demand, Trades Academies and Māori Trades Training. It also includes funding for Workforce Development Councils and Regional Skills Leadership groups to be established to assist coordination with industry and regions.
  - 37.2 *Strengthening early childhood services (\$278 million operating)*. This initiative provides funding to reinstate a higher funding band for teacher-led, centre-based early learning services (i.e. kindergartens and education and care centres) that employ a 100% qualified and certificated teaching workforce. This will encourage training and employment in early childhood education as a career for unemployed New Zealanders, and will stabilise the funding of ECE centres ahead of expected losses from COVID-19. This is expected to improve the quality and frequency of teacher-child interactions, and lead to better learning and developmental outcomes for children in these services.
  - 37.3 [42]

[42]

- 37.4 *Adult and Community Education (\$16 million operating)*. This will restore funding for what we used to call “night schools” and other providers to meet the increased needs for training and upskilling in the wake of COVID-19.
- 37.5 *He Poutama Rangatahi (HPR) (\$121 million)*. The proposed funding is to move He Poutama Rangatahi (HPR) to a sustained footing in the regions, and accelerate its establishment into urban areas that have the greatest volumes of young people not in employment, education or training (NEET), such as West and South Auckland, Hamilton, Porirua and East Christchurch. HPR provides funding to community driven programmes to resolve barriers to employment and training. The programmes are delivered by local, known and trusted individuals and organisations. In some cases HPR works with the Ministry of Social Development to support individuals who need extra help or fall outside MSD criteria.
- 37.6 *Employment and Financial Support Response (\$400 million operating)*. An increase to programmes to support New Zealanders into employment and manage service delivery through the Ministry of Social Development.

### *Infrastructure*

38. Investment in new infrastructure projects will help support the longer-term economic recovery. The Government has already made significant investments in infrastructure in order to future-proof the economy:
- 38.1 New Zealand Upgrade Programme – \$8 billion for investment in roads, rail, hospitals and schools and our regions, as well as a \$4 billion increase to the multi-year capital allowance.
- 38.2 Budget 2020 – \$3.6 billion of new capital expenditure was agreed by Cabinet in April 2020.
39. I propose to establish a \$3 billion tagged contingency to fund additional infrastructure investment, to be charged against the CRRF and announced on Budget day. I expect that there will be further announcements of funding once we have clearly identified priorities arising from the Infrastructure Reference Group (IRG).
40. Further investment in new infrastructure projects will help to support the economic recovery from COVID-19 and position the country for the long-term. The contingency is being treated as capital, although depending on the projects that are funded some of the funding may end up being treated

as operating (particularly for local authority or private sector projects). The phasing of spend will also likely change.

41. A portion of this \$3 billion would be set aside to support regional infrastructure projects identified through the Provincial Growth Fund that could be advanced quickly. This would have the benefit of meaning that expenditure could take place more quickly, and projects that might otherwise be overlooked in such an exercise would be highlighted. Smaller regional projects might also be subject to fewer capacity constraints than larger, more strategic investments.
42. I also propose making \$6 million available to fund the implementation of special legislation giving the Government new temporary powers to fast-track resource consent and designation processes for development and infrastructure projects under the Resource Management Act 1991 (RMA). The development of this special legislation is in direct response to COVID-19. It is part of the Government's response to cushion the economic impacts of COVID-19 by stimulating construction activity and employment across a range of projects and locations.
43. Cabinet will make the final decisions on which projects should be funded from the contingency. Central to this are projects identified through the IRG, as well as bids received from individual departments and agencies, including Defence and the New Zealand Institute of Skills and Technology. This is also an opportunity to advance our Three Waters programme and further advances in the use of renewable energy. The final list of IRG recommended projects will be received later in May. We have the option of announcing some of the early stage projects identified.
44. In the short-term, we need to ensure that existing infrastructure projects continue at pace in order to support economic activity and employment. The policies we have introduced as part of the COVID-19 response are already helping in this regard by providing broad-based support for businesses and employees, and initiatives to address issues in the construction sector.

### *Housing*

45. Supporting New Zealanders' access to housing, together with support for the residential construction sector is critical to prevent homelessness and improve housing affordability. Housing (and vertical construction) are also job rich areas.
46. The proposed housing element of this package totals around \$800 million in new operating investment. This funding allows for a further \$5 billion of building through the Kāinga Ora borrowing programme and investment in Community and Transitional Housing providers. The capital needed for this building is funded through Kāinga Ora's borrowing facility and so is counted against the CRRF.

47. This initiative will deliver an additional 8,000 public or transitional housing places over the next 4-5 years. This will help support an exit from the use of motels as part of New Zealand's homelessness response in 2021, and support the construction sector through a pipeline of building activity.
48. Further support for housing development and construction will be a critical element of our recovery from COVID-19. It is my intention to signal that this will be the subject of further investment in the next phases of the fund.

### *Business Support*

49. The proposed package will build on the Government's efforts to cushion the blow of COVID-19 interruption for businesses across New Zealand. As well as the Wage Subsidy Scheme, businesses have been supported through significant changes in the taxation system, low and interest free loans, together with supportive changes to company regulations.
50. The CRRF goes further, with a \$4 billion Business Support Package (including the targeted extension of the Wage Subsidy Scheme) to position businesses for recovery and growth. This includes the proposed targeted wage subsidy scheme outlined above. Further support for business will be considered in future rounds of the fund.
51. These future packages will include a focus on supporting R&D to support our vision for a modern New Zealand. R&D-performing businesses are some of the most vulnerable in an economic crisis, but will likely be some of the most important for boosting innovation and enabling a high-productivity economy.
52. The key initiatives include:
  - 52.1 *Revitalising the international business sector (\$216 million operating)*. This provides funding to New Zealand Trade and Enterprise to expand the scope and intensity of support provided to exporting firms. This includes doubling the size of their Focus customer group, increasing activity for New Zealand firms in priority markets, and expanding the digital services available for foundation firms.
  - 52.2 *Short-term research and development loan scheme (\$150 million capital)*. This establishes a short-term temporary loan scheme to incentivise businesses to continue R&D programmes. The loans will provide one-off finance for R&D activities and will be administered by Callaghan Innovation.
  - 52.3 *Boosting Economic Activity and Future Growth across the Horticulture Sector (\$33 million operating)*. This initiative will address the immediate impacts of lost production/economic activity

across the Horticulture industry and support a strong recovery from Covid-19 by accelerating growth in the horticulture sector

- 52.4 *Supporting Small Businesses into Digital-Commerce (\$10 million).* In the context of Covid-19, small businesses need immediate support to identify if e-commerce is appropriate and to understand the longer term implications on their business model. Funding will be used to support small businesses by providing information and support, improving e-commerce service offerings, upskilling digital advisors and incentives/grants to encourage e-commerce adoption.

### *Environment and Energy*

53. COVID-19 provides an opportunity to reset the economy and address some of the long-standing challenges facing New Zealand, including sustainability and protecting our natural capital. This will be the subject of further work for announcement in future rounds, including a particular focus on reducing waste and creating a more sustainable energy system.
54. Key initiatives include:
- 54.1 *Economic recovery through environment-related activity: addressing contamination of New Zealand's waterways (\$433 million operating).* This investment will contribute to improving the health of New Zealand's waterways and support economic recovery. This will involve working in partnership with local government and farmers. It will include restoring mini wetlands, stabilising river banks, removing sediment, and providing for fish passage. The funding will support employment across New Zealand, including the Kaipara catchment.
- 54.2 *Jobs for Nature Fund (\$200 million operating).* This fund will support job creation within the DOC estate, including through upgrading tracks, huts and other facilities.
- 54.3 *Pest Eradication and Management (\$67 million operating).* This includes initiatives that will create employment opportunities to remove pests and weeds as part of the LINZ biosecurity programme and contain wallabies to protect New Zealand agriculture, forestry and native plants.
- 54.4 *Wilding Conifer Control Programme (\$100 million operating).* This programme will create jobs in regional New Zealand. This work will require a range of different skills sets and will support economic activity and delivers an increase in value to land, water and biodiversity.

## Community Wellbeing

55. It is critical that as a country we support our communities, and especially our most vulnerable people, as we respond to and recover from COVID-19. This package continues this Government's focus on the long-term wellbeing of our communities.
56. The safety of all New Zealanders is always a top priority. The proposed Community Wellbeing package provides additional support for our Family and Sexual Violence Providers at a time when whānau are spending more time at home. Budget 20 provided \$183m to address family violence and sexual violence, and the CRRF underscores our commitment in this area further.
57. The Community Wellbeing package includes:
  - 57.1 *Mitigating impacts of socioeconomic disadvantage: school lunches (\$217 million operating, \$4 million capital)*. This initiative seeks to expand the Free and Healthy School Lunch Programme (FHSLP) to 200,000 more students from Term 4, targeting students in schools with the highest disadvantage. This extension is expected to create 2,400 jobs. A key focus of the FHSLP is to positively impact the learning, health and development and general wellbeing of students through the provision of free school lunches.
  - 57.2 *Supporting foodbanks, food rescue and community food services (\$32 million operating)*. 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.
  - 57.3 *Supplying food to New Zealanders and supporting sector production capacity (\$15 million operating)*. This initiative provides funding to purchase primary produce and distribute it to those in need, scale up Fruit in Schools to deliver an additional 10,000 fruit and vegetable boxes to children's homes over 10 weeks, and develop a digital platform for farmers to sell to consumers while open air markets cannot open.
  - 57.4 *Services for children and youth experiencing violence (\$13 million operating)*. This initiative will provide therapeutic services and treatment for children and young people who are exposed to family violence, which can have long lasting negative impacts on their future. This particularly important at this time as the usual support networks of children and young people are disrupted during the period of COVID-19.

57.5 *Responding to increased demand for family violence services (\$13 million operating)*. 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]

57.6 *Investing in the resilience and recovery of communities affected by COVID-19 (\$30 million operating)*. This initiative will enhance the wellbeing of communities by providing grants to allow community groups to respond to, and more readily recover from, the current and anticipated impacts of COVID-19. These community groups are not traditional providers; instead they are made up of a cross-section of the local community, and public or population-based interest groups. A specific focus will be made to enable Māori, Pacific, refugee and migrant communities to access this fund.

58. Alongside this, the Community Wellbeing package includes additional investment in the COVID-19 public health response: including a further \$233 million to support surgeries that were delayed due to COVID-19, [42] The package also provides support for ambulance, aged care, disability [42] services to address pressures on these services as a result of COVID-19.

### *Income Support*

59. Incomes, particularly of the most vulnerable in society, will be badly hit by COVID-19. It is important that we support income for both vulnerable households and more widely to ensure we meet our distributional and wider macroeconomic objectives.

60. The main form of income support for New Zealanders is their employment. The Wage Subsidy Scheme has supported Kiwi's in the short-run, and the proposed scheme provides additional targeted support. The Temporary Income Support provided that the government recently approved will also cushion the short-term effects of unemployment, and lead to smoother employment transitions.

61. The government has also provided the first across the board welfare increase for nearly fifty years, together with a temporary doubling of the Winter Energy Payment. This should support the lowest paid and most vulnerable New Zealanders, including Superannuitants.

62. A key initiative is:

*Financial assistance for caregivers (\$209 million operating).* This increases the current rates of the Foster Care Allowance, Orphan's Benefit and Unsupported Child's Benefit by \$25 per week per child to meet the needs of children and their caregivers. It also provides additional respite care, together with an extension of the Birthday and Christmas Allowances to OB and UCB caregivers.

### *Sector Recovery*

63. Supporting sectors particularly impacted by COVID-19 and its economic impacts is critical to maintaining New Zealanders wellbeing. This includes cross sector support for Māori and Pacific communities, support for the arts, and additional resourcing for sports and racing. Further sector specific programmes will be developed for the next rounds of the funding both within these sectors, but also in other areas such as media.

64. Key initiatives include:

64.1 *Tourism Sector Recovery Package (\$400 million operating).* The tourism sector is the one most affected sectors in the economy by COVID-19. It is facing significant job losses and business failures. This will have enormous ripple effects to towns and communities that rely on the spending of international tourists. This funding will support the first stages of action plan agreed with industry to transition and revitalise the industry. (Details of the plan will be considered by Cabinet Committee this week. This funding represents an initial tagged contingency to support the plan).

64.2 *Māori COVID-19 Recovery Package (\$485 million operating).* This package include a range of measures to support Whānau through the effects of COVID-19. It is also important to undertake this programme as the curtailing of new initiatives planned in Budget 2020 affected a number of Māori focused programmes. This package includes supporting the recovery of Whānau from COVID-19 (*\$137 million operating*) through Whānau Ora to ensure they can continue to provide timely and flexible support to whānau as the health and socio-economic impacts of COVID-19, Whānau *Protect* – programme (*\$6 million operating*) which assists children and whānau who are at high-risk due to repeat family violence by making practical security improvements to their homes, and programmes in housing and education.



- 64.3 *Pacific Sector COVID Recovery Package (\$195 million operating)* A range of initiatives to support Pacific communities who have been affected by COVID-19. It is also important to undertake this programme as the curtailing of new initiatives planned in Budget 2020 affected a number of Pacific focused programmes. This package includes an extension of the *Tupu Aotearoa* across New Zealand (\$14m). The programme helps Pacific young people Not in Employment, Education and Training (NEET) to find employment, complete further training or undertake study. The package also includes a *Pasifika Culture and Heritage Fund*, support for housing, business development and education and training.
- 64.4 *Arts, Culture and Heritage Recovery Package (\$343 million operating)*. The arts sector has been decimated by COVID-19. Many artists, musicians, performers and events workers have been left without the ability to work or perform. This package aims to support and revitalise the arts sector through a range of initiatives in music, film, creatives in schools, public art, museums and support for institutions.
- 64.5 *Sport and Recreation Recovery Package (\$265 million operating)*. Most sporting organisations have had their funding eliminated by COVID-19. At a community level sports clubs and recreation organisations have lost sponsorship, support from gaming trusts and revenue from facilities. At an elite level every code has lost revenue generated by competitions. This package will support grassroots sport, women's sport and national sporting organisations to continue to offer active recreation. It will also provide additional support to elite athletes to enable them to continue to train and operate in COVID-19 era.
- 64.6 *Racing Industry Initial Recovery Package (\$50 million operating)*. This is an emergency support grant to stop the Racing Industry Transitional Authority becoming insolvent. This would lead to the loss of many jobs. The funding will be spent repaying creditors, restructuring the industry and to meet other emerging costs. The Minister of Racing has identified that there is a need for further support in later funding rounds to position the industry for recovery.

65. [33]

## **Financial Implications**

66. The fiscal cost of the COVID-19 Response and Recovery foundational package will be around \$15.9 billion. These costs will be managed against the CRRF established as part of Budget 2020.

## **Legislative Implications**

67. The Appropriation (2019/20 Supplementary Estimates) Bill is to be introduced on Budget day (14 May). It is intended that the appropriations and capital injections and changes to appropriations and capital injections that are in the Addition to the 2019/20 Supplementary Estimates be incorporated into the Appropriation (2019/20 Supplementary Estimates) Bill by way of amendments on a Supplementary Order Paper that is released prior to the second reading debate on that Bill. Standing Order 343(2)(a) provides for there to be a committee of the whole House stage of an Appropriation (Supplementary Estimates) Bill if the Minister in charge of the Bill requires the House to resolve itself into committee to consider an amendment.
68. A number of initiatives are dependent on the passage of legislation that is either currently before the House or that the Government has signalled will be introduced shortly, such as the COVID-19 Recovery (Fast Track Consenting) Bill.

## **Impact Analysis**

69. There are no regulatory requirements for this paper.
70. There are no climate implications for this paper, although some of the initiatives included in the package will contribute to progress on the Government's climate targets.
71. The spread of initiatives funded through the package will affect a broad cross-section of New Zealanders, and it includes significant targeted funding to support vulnerable and marginalised communities.

## **Consultation**

72. This paper was developed in consultation and with the assistance of The Treasury.

## **Communications**

73. This package will be communicated alongside the Budget on 14 May.
74. The Office of the Minister of Finance will coordinate all communications relating to Budget 2020, including requests for early announcements. Written approval from the Prime Minister and the Minister of Finance is required for any early announcements.

## **Proactive Release**

75. Every year following Budget Day, The Treasury coordinates a proactive release of Budget documents. The aim of this release is to improve transparency of the Budget decision-making process.
76. The 2020 release of documents will include the Budget Cabinet papers, such as the Budget 2020 Package paper and the Budget Strategy paper. Budget Ministers briefings will also be released. A second wave of the release will include key decision-making documents for the COVID-19 Response and Recovery Fund, including this paper. I will consult with you during the process on the proposed release.

## Recommendations

I recommend that Cabinet:

### *Fiscal Strategy and Outlook*

1. **note** that The Treasury's fiscal forecasts assume the CRRF to be spent in full which results in net core Crown debt rising to just under 54% of GDP by 2022/23 and OBEGAL remaining in deficit across the forecast period;
2. **note** that all the proposed spending initiatives set out in this paper will be charged against the CRRF so the overall fiscal position will be largely unaffected relative to The Treasury Budget 2020 forecasts;

### *Responding to COVID-19*

3. **note** the intention to make allocations for announcements on Budget Day, [33]
4. **note** the focus of this package is on the first two waves of the recovery [33]

### *Immediate term support – wage subsidy*

5. **agree** to extension of the wage subsidy scheme of \$3.2 billion as set out in annex 1 accompanying this paper;

### *COVID-19 Response and Relief Fund*

6. **note** that in the Budget 2020 Cabinet Paper, Cabinet agreed to establish a \$50 billion COVID-19 Response and Recovery Fund to progress further measures and address urgent COVID-19 related spending by agencies;
7. **note** that the COVID-19 Response and Recovery Fund was intended to provide both operating and capital funding;
8. **note** the initiatives funded through this COVID-19 Response and Recovery Fund align to the criteria previously agreed by Cabinet and demonstrate that:
  - 8.1 funding is needed as a direct result of COVID-19;
  - 8.2 funding is needed outside of the normal budget cycle to support the response and/or recovery from COVID-19; and
  - 8.3 the additional costs cannot be managed from existing baselines.

9. **agree** to the COVID-19 Response and Recovery Fund foundational package of \$15.9 billion, as set out in annex 2 accompanying this paper;
10. **approve** the COVID-19 Response and Recovery Fund foundational package initiatives for each Vote for, as detailed in the attached initiative documents;
11. **authorise** the Minister of Finance and relevant Appropriation Ministers to approve jointly any other changes to appropriations and capital injections, and the establishment of new appropriations where necessary, to give effect to the policy decisions outlined in annex 3;
12. **agree** to establish new appropriations where required to implement these initiatives, as described in the initiative documents for each Vote;
13. **approve** changes to appropriations and/or capital injections to the administering department (where applicable) to implement the initiatives, as set out in the initiative documents for each Vote;
14. **approve** the additional recommendations to give effect to the initiatives, as set out in the attached initiative documents;
15. **agree** that the proposed changes to appropriations and/or capital injections for 2019/20 be included in the Addition to the 2019/20 Supplementary Estimates, 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;
16. **authorise** 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;
17. **authorise** 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;
18. **agree** that any and all underspends related to the initiatives approved in this package is returned to the Centre;
19. **note** that all communications relating to the CRRF and any requests for early announcement will need to have both the written approval of the Minister of Finance and sign-off from the Prime Minister's office;

20. **note** that the Appropriation (2019/20 Supplementary Estimates) Bill needs to be passed and come into force by 30 June 2020;
21. **invite** the Minister of Finance to provide drafting instructions to the Parliamentary Counsel Office for a Supplementary Order Paper to incorporate the appropriations and capital injections in the Addition to the 2019/20 Supplementary Estimates into the Appropriation (2019/20 Supplementary Estimates) Bill.

Authorised for lodgement

Hon Grant Robertson  
Minister of Finance

## **ANNEX 1: Targeted extension of the Wage Subsidy Scheme**

### **Recommendations**

- 1 **agree** to introduce a targeted extension to the Wage Subsidy Scheme on 10 June 2020, at an estimated cost of \$2.6 billion to \$3.2 billion, after the current Wage Subsidy Scheme ends on 9 June 2020

#### *Eligibility*

- 2 **agree** that same entity-eligibility rules, employee eligibility rules, employer obligations, and state sector eligibility determinations will apply to the targeted extension to the Wage Subsidy Scheme as apply to the current Wage Subsidy Scheme
- 3 **agree** instead of the current 30 per cent revenue drop test the business must have suffered, or expect to suffer, a revenue loss of at least 50 per cent for the 30 day period prior to the application date *versus* the nearest comparable period last year
- 4 **agree** that high growth firms and new firms that can demonstrate revenue loss using a more recent comparison time period (e.g, 1 January 2020 – 30 January 2020), in line with the approach taken in the current Wage Subsidy Scheme
- 5 **agree** for pre-revenue start-up businesses that are seed or venture backed, or are Callaghan Innovation affiliated as of 17 March 2020, which have no other revenue other than government support and seed or venture capital, revenue loss will be demonstrated by a fall in projected capital income of 50 percent, in line with the approach taken in the current Wage Subsidy Scheme
- 6 **agree** that an employer cannot simultaneously claim under the targeted extension to the Wage Subsidy Scheme, the current Wage Subsidy Scheme, or the COVID-19 leave support scheme in respect of the same employee
- 7 **agree** that employers must use any surplus funding from the subsidy provided to fund other employees' wages where possible, and where this is not possible the excess should be returned to MSD

#### *Payment and duration*

- 8 **agree** the subsidy will be for 8 weeks paid as a lump sum to the employer and at the same weekly rates as the current Wage Subsidy Scheme
- 9 **agree** that applications for the scheme will be open for a 12 week period from 10 June 2020 – 1 September 2020

#### *Scheme integrity*

- 10 **note** that MSD will administer the scheme and publish some details on its website of firms that have received the subsidy, in line with current practice
- 11 **note** that MSD is working to improve the integrity of the current Wage Subsidy Scheme

- 12 **invite** officials to advise the Minister of Finance, the Minister for Economic Development, the Minister for Social Development and the Minister for Workplace Relations and Safety on any further administrative changes to the scheme based upon experiences to date
- 13 **invite** the above Ministers to report back to Cabinet with any proposed changes to the administration of the scheme

*Financial and other recommendations*

- 14 **delegate** authority to the Minister of Finance, the Minister for Economic Development, the Minister for Social Development, and the Minister for Workplace Relations and Safety to make technical or minor implementation changes
- 15 **agree** that the above Ministers will report back to Cabinet on any changes
- 16 **approve** the following change to appropriations to fund the targeted extension to the Wage Subsidy Scheme with a corresponding impact on the operating balance and net core Crown debt:

Vote Social Development Minister for Social Development	\$m – increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
<b>Non-Departmental Other Expenses:</b>					
Business Support Subsidy Covid-19	3,200	-	-	-	-
<b>Total Operating</b>	3,200	-	-	-	-

- 17 **note** that there is uncertainty in the cost estimate due to uncertainties in the current economic environment
- 18 **note** that MSD may need additional funding to establish, administer and/or pay the scheme and to audit the scheme retrospectively, and the Minister for Social Development will report back if more funds are required
- 19 **agree** that changes to appropriations for 2019/20 above be included in the 2019/20 Supplementary Estimates and that in the interim, the increases be met from Imprest Supply



- 20 **agree** that changes to appropriations for 2020/21 above be included in the 2020/21 Supplementary Estimates and that in the interim, the increases be met from Imprest Supply (First for 202/21) once enacted
- 21 **agree** that the operating balance impact be charged against the COVID-19 Response and Recovery Fund established as part of Budget 2020
- 22 **note** that the spending profile of the targeted extension to the Wage Subsidy Scheme is highly uncertain and requires the in-principle transfer of up to \$3,200 million of operating from 2019/20 to 2020/21
- 23 **authorise** the Minister for Social Development and the Minister of Finance jointly to agree the final amount to be transferred, within the policy settings agreed, following completion of the 2019/20 audited financial statements of the Minister of Social Development or beforehand if necessary, with no impact on the operating balance and/or net core Crown debt across the forecast period

# COVID-19 Response and Recovery Fund- 14 May 2020 Funding

<b>Vote(s)</b>	<b>Title</b>	<b>Opex (\$m)</b>	<b>Opex Av. (\$m)</b>	<b>Capex (\$m)</b>
Agriculture, Biosecurity, Fisheries and Food Safety	Addressing Primary Sector Workforce Shortfall With Job Transition Support And Improved Public Data	19.30	4.83	0.00
Agriculture, Biosecurity, Fisheries and Food Safety	Containing Wallabies To Protect Agriculture, Forestry And Native Plants, And Boost Regional Economies	27.47	6.87	0.00
Agriculture, Biosecurity, Fisheries and Food Safety	National Wilding Conifer Control Programme To Boost Regional Economies And Employment	100.00	25.00	0.00
Agriculture, Biosecurity, Fisheries and Food Safety	Boosting Economic Activity And Future Growth Across The Horticulture Sector	32.54	8.13	6.00
Agriculture, Biosecurity, Fisheries and Food Safety	Mitigating The Impact Of Economic And Social Disruption On Rural And Fishing Communities	20.20	5.05	0.00
Agriculture, Biosecurity, Fisheries and Food Safety	Preventing Food Waste And Supporting Primary Sector Production By Supplying Food To New Zealanders In Need	14.90	3.73	0.00
Agriculture, Biosecurity, Fisheries and Food Safety	Contingency For Replacing Lost Frontline Biosecurity Operations Revenue	0.00	0.00	0.00
Agriculture, Biosecurity, Fisheries and Food Safety	Replacement Crown Funding For Non-Recoverable Expenditure To Enable Food Businesses To Operate During Covid-19	4.50	1.13	0.00
Agriculture, Biosecurity, Fisheries and Food Safety	Expanding Animal Wellbeing Support Activities Across New Zealand	5.40	1.35	0.00
Agriculture, Biosecurity, Fisheries and Food Safety	Replacing Lost Frontline Biosecurity Operations Revenue	0.00	0.00	80.10
Arts, Culture and Heritage	Pasifika Culture And Heritage Fund	12.00	3.00	0.00
Arts, Culture and Heritage	Establishing A New Zealand Fale Malae	10.00	2.50	0.00

Arts, Culture and Heritage	Te Matatini - Seeking Funding For Covid-19 Related Costs	2.43	0.61	0.00
Arts, Culture and Heritage	Waitangi National Trust - Surviving The Effects Of The Covid-19 Pandemic	4.00	1.00	0.00
[42]				
Arts, Culture and Heritage	Retain Core Capability Of Heritage New Zealand Pouhere Taonga	5.36	1.34	0.00
Arts, Culture and Heritage	Antarctic Heritage Trust - Remaining Viable from the Impact of COVID-19	1.40	0.35	0.00
Arts, Culture and Heritage	Retain The Museum Of New Zealand Te Papa Tongarewa'S Core Capability	18.00	4.50	0.00
Arts, Culture and Heritage	Royal New Zealand Ballet - Surviving The Effects Of The Covid-19 Pandemic	2.03	0.51	0.00
Arts, Culture and Heritage	Museum Hardship Fund	2.00	0.50	0.00
[42]				
Arts, Culture and Heritage	New Zealand Music Recovery	16.58	4.14	0.00
Arts, Culture and Heritage	Creative New Zealand – Retain Core Arts Infrastructure And Deliver Arts Projects In Communities	25.00	6.25	0.00
Arts, Culture and Heritage	Radio New Zealand Baseline Funding Increase	21.75	5.44	0.00
[42]				
Arts, Culture and Heritage	Cultural Sector Regeneration Fund	164.00	41.00	0.00
Arts, Culture and Heritage	Cultural Recovery Package: New Zealand Libraries Partnership Programme	60.35	15.09	0.00
Arts, Culture and Heritage	Matauranga Maori Te Awe Kotuku Fund	20.00	5.00	0.00
[42]				
Business, Science and Innovation	The Auckland Pacific Skills Shift	22.07	5.52	0.00
Business, Science and Innovation	Infrastructure Reference Group “Irg” Projects In Response To Covid-19	0.00	0.00	3000.00
Business, Science and Innovation	Warmer Kiwi Homes Expansion	56.44	14.11	0.00
Business, Science and Innovation	Business Debt Hibernation (Bdh) Scheme	0.84	0.21	0.64

Business, Science and Innovation	Capital Investment In Callaghan Innovation For A Short-Term Research And Development Loan Scheme	0.00	0.00	150.00
Business, Science and Innovation	Industry Policy: Covid-19 Recovery And Transformation Package	41.40	10.35	0.00
Business, Science and Innovation	Better For Business: Making It Easier And More Seamless For Business To Deal With Government	9.68	2.42	0.00
Business, Science and Innovation	Accelerating rollout of Business Connect	3.00	0.75	0.00
Business, Science and Innovation	Competition Plays An Important Role In New Zealand'S Recovery From Covid-19	2.50	0.63	0.00
Business, Science and Innovation	Support For Small Businesses Tailored To Covid-19 Needs	2.30	0.58	0.00
Business, Science and Innovation	Implementation Of E-Invoicing In New Zealand	12.50	3.13	0.00
Business, Science and Innovation	Maintaining R&D Services To New Zealand'S Businesses	9.90	2.48	0.00
Business, Science and Innovation	New Zealand'S Events Support	10.00	2.50	0.00
Business, Science and Innovation	New Zealand'S Economic Recovery: Revitalising The International Business Sector	216.00	54.00	0.00
Business, Science and Innovation	International Growth Fund (Igf) Covid-19 Overspend Funding	6.00	1.50	0.00
Business, Science and Innovation	Supporting Small Businesses Into Digital-Commerce	10.00	2.50	0.00
Business, Science and Innovation	Agresearch Lincoln Facility Development	0.00	0.00	45.00
Business, Science and Innovation	Tourism Sector Recovery Fund	400.00	100.00	0.00
Business, Science and Innovation	Cri Covid-19 Response And Recovery	117.40	29.35	0.00
Business, Science and Innovation	Assisting With Covid-19 Contact Tracing Using New Zealand Business Number Organisation Part Numbers	1.03	0.26	0.00
Business, Science and Innovation	Investment In Labour Market Response	0.00	0.00	0.11
Conservation	Pest Management, Including Predator Free And Eradication	147.51	36.88	0.00
Conservation	Enhancing Biodiversity Outcomes On Public And Private Land	154.25	38.56	0.00
Conservation	Crown Concession Revenue – Provision for Bad and Doubtful debts	5.00	1.25	0.00
Conservation	Jobs for Nature	200.00	50.00	0.00
Corrections	Supported Accommodation	1.75	0.44	0.00

Corrections	Maintaining Connectivity Between Our Staff, And Between People In Our Care And Their Whanau	16.98	4.24	5.00
Corrections	Thermal Imaging Detection System	1.49	0.37	1.00
Corrections	Responding To Covid-19 By Strengthening Our Health Safety And Wellbeing, And Communications Capacity And Capability	2.40	0.60	0.00
Corrections	Savings Initiative	-16.67	-4.17	0.00
Corrections	Modular Build Programme Impacts	0.00	0.00	0.00
Corrections	Personal Protective Equipment	13.04	3.26	0.00
Corrections	COVID-19 Impact on Corrections Annual Leave Costs	13.25	3.31	0.00
Customs	COVID-19 extra Bad debts required	32.00	8.00	0.00
Defence Force	Veteran Health Connect	0.84	0.21	0.00
Education	Increasing Trades Academy Places And Supporting Secondary Transitions	32.32	8.08	0.00
[42]				
Education	100% Qualified And Certificated Teachers	278.25	69.56	0.00
[42]				
Education	Contingency: Targeted Support For Pacific Learners And Families	80.24	20.06	0.00
Education	Sustaining Kohanga Reo And Revitalising Te Reo Maori	99.96	24.99	0.00
Education	Māori Education Investment Fund	200.00	50.00	0.00
Education	Early Intervention: Te Kohanga Reo – Learning Support Initiative And Targeted Covid-19 Response	2.84	0.71	0.00
Education	Mitigating Impacts Of Socioeconomic Disadvantage: School Lunches	216.70	54.18	3.90

[42]				
Education	Support For Schools Payroll	1.96	0.49	0.00
Education	Covid-19 Tertiary Education Grant Funding Transfer	0.00	0.00	0.00
Education	Home Schooling Demand	0.00	0.00	0.00
Environment	Post-Covid19 Economic Recovery Through Environment-Related Activity: Capital Works, Wetland Restoration, Kaipara Harbour	433.00	108.25	0.00
[42]				
Environment	Phasing Out Problem Plastics And Implementing The Waste Disposal Levy Expansion	18.02	4.50	0.00
[42]				
Health	Increasing Wellbeing And Mental Health Support To Learners And Education Workforce	0.00	0.00	0.00
Health	Maintaining Essential Disability And Home And Community Aged Care Support Services Through Covid-19	25.40	6.35	0.00
[42]				
Health	Maintaining The Service Continuity For Auckland Rescue Helicopter Trust	1.28	0.32	0.00
[42]				
Health	Funding For The Costs Of Undertaking Laboratory Testing To Detect The Virus In Response To Covid-19 - Contingency	37.00	9.25	0.00
Health	Planned care - COVID-19 backlog and adjustment for national price changes	232.50	58.13	50.00
Housing and Urban Development	Government Housing Build Programme	670.00	167.50	0.00
Housing and Urban Development	Māori Housing Fund (MAIHI)	40.00	10.00	0.00

Internal Affairs	C19 Digital Skills (Dps-Gds)	15.00	3.75	0.00
Internal Affairs	C19 Supporting Local Govt Response, Recovery And Establishment Of Taumata Arowai (Water Services Regulator) (Clgp-Lg)	2.01	0.50	0.00
Internal Affairs	C19 Creating A Safe Online And Digital Environment For Children And Young People – Phase 2 (Prc-Ia)	1.50	0.38	0.00
Internal Affairs	C19 Ethnic Communities Multi-Lingual Information Network	2.11	0.53	0.00
Internal Affairs	C19 Statutory Inquiries Extensions (Prc-Ia)	1.63	0.41	0.00
Internal Affairs	C19 Policy Programme Gambling, Racing & Community Funding (Prc-Ia)	2.50	0.63	0.00
Internal Affairs	C19 Whatsapp (-Dps-Gds)	0.67	0.17	0.00
Internal Affairs	C19 One Time Identity (Dps-Gds)	0.34	0.09	0.00
Internal Affairs	Recovering from loss of community funding	2.50	0.625	0.00
Justice	Strengthen the Family Court	62.00	15.50	0.00
Justice	Whanau Protect – Expanding National Home Safety Under Covid-19	5.98	1.50	0.00
Labour Market	Regional Skills Leadership Groups (Rslgs)	46.00	11.50	0.00
Labour Market	Jobs And Skills Hubs	27.50	6.88	0.00
Labour Market	Māori Crown Partnerships to support Māori trades training	50.00	12.50	
Labour Market	He Poutama Rangatahi	121.00	30.25	0.40
Labour Market	Investment In Labour Market Response	7.24	1.81	0.11
Labour Market	Worksafe Nz Operational Response To Alert Level 3	1.55	0.39	0.00
Labour Market	Support For Industry Health And Safety Leadership Groups	3.71	0.93	0.00
Lands	Land Information New Zealand Biosecurity Programme For Immediate And Sustained Job Creation To Remove Pests And Weeds	40.00	10.00	0.00
Lands	Bad And Doubtful Debt Increase As A Result Of The Impact Of COVID-19	0.00	0.00	0.00
Lands	Land Information New Zealand Third Party Funding Shortfall	0.00	0.00	50.00
Maori Development	Supporting Employment Opportunities And Development Through Cadetships	22.69	5.67	0.06



Maori Development	Building sustainable and resilient communities through increasing the capability and capacity of Maori organisations	11.17	2.79	0.06
Maori Development	Whanau Ora: Supporting The Immediate And Near-Term Recovery Of Whanau From Covid-19	136.09	34.02	0.00
[42]				
Maori Development	Maori Media Sector: Supporting News And Current Affairs Capacity	3.50	0.88	0.00
Maori Development	Support For New Zealand Maori Arts And Crafts Institute	7.80	1.95	0.00
Official Development Assistance	Consular Costs Increase (Revenue-Neutral)	0.00	0.00	0.00
Oranga Tamariki	Emergency Financial Assistance For Caregivers In Response To Covid-19: Supporting Stability And Care	66.85	16.71	0.00
Oranga Tamariki	Emergency Financial Assistance For Caregivers In Response To Covid-19: Base Rate Increase	143.07	35.77	0.00
Pacific Peoples	Toloo - Increasing skills and income through empowering Pacific participation in STEM	4.85	1.21	0.00
Pacific Peoples	Increase the reach and volume of service of Tupu Aotearoa across New Zealand	13.88	3.47	0.00
Pacific Peoples	Pacific Community Content	1.66	0.41	0.00
Pacific Peoples	The Pacific Aotearoa Community Covid-19 Recovery Fund	2.95	0.74	0.00
Pacific Peoples	Improving Housing for Pacific Families and Communities (Tagged Contingency)	41.32	10.33	0.00
Police	Funding For Family Violence Covid-19 Response: Increased Funding For Counties Manukau Whangaia Nga Pa Harakeke Site	3.03	0.76	0.00
Police	Funding For Family Violence Covid-19 Response: Services For Children And Youth Experiencing Violence	13.30	3.33	0.00
Police	Funding for COVID-19	178.22	44.56	0.00
Prime Minister and Cabinet	Leading and Coordinating the All-of-Government COVID-19 Response Effort	5.62	1.40	0.32

Racing	Supporting New Zealand Racing Industry and the Racing Industry Transition Agency (RITA)	50.00	12.50	0.00
Revenue	Retaining capability to support the Government's response to COVID-19	45.10	11.28	0.00
Revenue (IRD-Crown)	Introducing grace periods for the in-work tax credit	23.00	5.75	0.00
[42]				
Serious Fraud	Strengthening The Response To Covid-19 Related Serious Financial Crime	3.87	0.97	0.08
Social Development	The Construction Accord: Expand Skills For Industry Initiative (Covid-19 Response)	59.60	14.90	0.00
Social Development	Supporting Offenders Into Employment Phase 2	11.91	2.98	0.24
Social Development	Expand And Strengthen Existing Employment Services To Support More Disabled New Zealanders Into Employment	12.50	3.13	0.00
Social Development	Continuing He Poutama Taitamariki For Young People	11.84	2.96	0.00
Social Development	Employment Services Response to COVID-19	400.00	100.00	0.00
Social Development	Covid-19: Building Maori Partnerships To Strengthen Social And Economic Wellbeing	10.00	2.50	0.00
[42]				
Social Development	Wage Subsidy Scheme	3200.00	800.00	0.00
Social Development	Covid-19: Responding To Increased Demand For Family Violence Services	12.60	3.15	0.00
Social Development	Covid-19: Boosting Building Financial Capability Services To Assist The Recovery Of Individuals And Whanau Impacted	25.21	6.30	0.00
Social Development	Covid-19: Providing Support For Foodbanks, Food Rescue And Community Food Services In The Covid-19 Recovery	32.00	8.00	0.00

[42]				
Social Development	Covid-19: Investing In The Resilience And Recovery Of Providers Affected By Covid-19	22.00	5.50	0.00
Social Development	Covid-19: Investing In The Resilience And Recovery Of Communities Affected By Covid-19	36.00	9.00	0.00
Social Development	Transfer Of Funding To Meet Current Demand Levels For The Community Awareness And Preparedness Fund (Cap Fund)	0.00	0.00	0.00
Social Development	Delaying The Implementation Of The New Zealand Superannuation And Veteran'S Pension Legislation Amendment Bill	33.72	8.43	0.00
Sport and Recreation	Recovery Package for the Play, Active Recreation and Sport System in Response to the COVID-19 Pandemic	264.60	66.15	0.00
Sport and Recreation	Securing and Strengthening Frontline Water Safety Rescue And Prevention Services To Reduce New Zealand's Drowning Toll	62.60	15.65	0.00
Tertiary Education	Careers System Online: Tiro Whetu	11.48	2.87	15.00
Tertiary Education	Establishing Workforce Development Councils To Support Covid-19 Recovery	230.00	57.50	0.00
Tertiary Education	Target Vocational Education and Training Fund	320.00	80.00	0.00
Tertiary Education	Meeting Increased Learner Need For Tertiary Education	334.10	83.53	0.00
Tertiary Education	Support For Group Training Schemes To Retain Apprentices In Preparation Of Post-Covid-19 Economic Recovery	19.36	4.84	0.00
Tertiary Education	Transitional Industry Training Organisation And Workforce Development Council-Led Covid-19 Response Projects	16.36	4.09	0.00
Tertiary Education	Adult and Community Education (ACE) funding increase	15.97	3.99	0.00
Tertiary Education	Contingency Funding: Covid-19 Support Initiative For Apprentices	412.00	103.00	0.00
Tertiary Education	Establishing A Student Hardship Fund For 2020	20.00	5.00	0.00
Tertiary Education	Covid-19 Centres Of Research Excellence Funding Transfer	0.00	0.00	0.00

Tertiary Education	Covid-19 Tertiary Education Grant Funding Transfer	0.00	0.00	0.00
Tertiary Education	Maintaining Support For Onshore International Students And International Education	7.00	1.750	0.00
Transport	Covid-19 Funding To Maintain Essential Transport Connectivity	5.30	1.33	15.00
Transport	Covid-19 Impacts For Waka Kotahi Nz Transport Agency's Regulatory Memorandum Accounts	60.00	15.00	0.00
Transport	Covid-19 Impacts On The National Land Transport Fund	0.00	0.00	425.00
[42]				
	<b>GRAND TOTAL</b>	<b>12,038.563</b>	<b>3,009.726</b>	<b>3,878.920</b>

ANNEX THREE: Initiatives agreed as part of the COVID-19 Response and Recovery Fund Package to be finalised

<b>Vote</b>	<b>Title</b>
Conservation	Jobs for Nature
Education	Sustaining Kōhanga Reo And Revitalising Te Reo Māori
Education	Early Intervention: Te Kōhanga Reo – Learning Support Initiative And Targeted COVID-19 Response
Education	Māori Education Investment Fund
Education	Contingency: Targeted support for at risk learners/Ākonga
Education	Supporting the Re-Engagement and Attendance of At-Risk Learners/Ākonga
Tertiary Education	Target Vocational Education and Training Fund
Tertiary Education	Contingency funding: COVID-19 support initiative for apprentices
Labour Market	Māori Crown Partnerships to support Māori trades training
Labour Market	Regional Skills Leadership Groups (RSLGs)
Environment	Phasing out Problem Plastics and Implementing the Waste Disposal Levy Expansion
Social Development	Staffing for MSD to Respond to Demand
Social Development	Employment services response to COVID-19
Social Development	Covid-19: Investing In The Resilience And Recovery Of Communities Affected By Covid-19
Pacific Peoples	Improving Housing for Pacific Families and Communities
Prime Minister and Cabinet	Leading and Coordinating the All-of-Government COVID-19 Response Effort
Housing and Urban Development	Te Maihi O Te Whare Māori – Māori And Iwi Housing Innovation (MAIHI)
Justice	Strengthen the Family Court
Arts, Cultural and Heritage	Matauranga Maori Te Awe Kotuku Fund
Internal Affairs	Recovering from loss of community funding
Racing	Supporting New Zealand Racing Industry and the Racing Industry Transition Agency (RITA)