

The Treasury

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Cabinet Document Details

Title: **Cabinet Minute CAB-20-MIN-0153.13: 2020 Budget Technical Financial Recommendations: Vote Social Development**

Date: **6 April 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.

2020 Budget Technical Financial Recommendations: Vote Social Development

On 6 April 2020, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2020 Budget package, as listed in the summary below and detailed in the attached initiative documents;

Summary of initiatives included in the attached initiative documents:

Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
12433	Establishment of Historic Claims Resolution Multi-Year Appropriation	-	-	-	-	-
12386	Fiscally Neutral Adjustment for the Ministry of Social Development's Departmental Appropriations to Meet Changes in Cost Drivers in 2019/20	-	-	-	-	-
Total Operating		-	-	-	-	-

- 2 **agreed** to establish new appropriations where required to implement these initiatives, as described in the attached initiative documents;
- 3 **approved** changes to appropriations 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 for 2019/20 above be included in the 2019/20 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 2019/20 Supplementary Estimates, the 2020/21 Estimates and the fiscal forecasts;

- 7 **noted** that all communications relating to the 2020 Budget are co-ordinated by a Budget communications committee, and that any requests for early announcement must have the written approval of the Minister of Finance and the Office of the Prime Minister.

Michael Webster
Secretary of the Cabinet

Initiative No: 12433

Vote: Social Development

Title: Establishment of Historic Claims Resolution Multi-Year Appropriation

Description: Establishment of Historic Claims Resolution multi-year appropriation (MYA) from 1 July 2020 to allow for the resolving of claims of people under 18 years of age. The existing Vote Social Development appropriation, *Historic Claims*, is restricted to resolving claims to those people 18 years and over. To remedy this issue a new multi-year appropriation is required to be established with a broader scope statement and funded from a fiscally neutral adjustment from the existing Historic Claims multi-year appropriation.

New appropriation approval

Name	Period	Type	Category Name	Scope
Historic Claims Resolution	Multi-Year Appropriation Start: 1/07/2020 Finish: 30/06/2024 Amount (\$m): 76.439	Departmental Output Expenses	N/A	This appropriation is limited to resolving claims of people who report experiencing abuse or neglect prior to 1 April 2017 while in the care, custody, guardianship, or came to the notice of the state (but are not currently under the sole guardianship of the state), including assisting and responding to reviews and inquiries of the historic child welfare system and the redress and rehabilitation process.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Departmental Output Expenses:					
Historic Claims (MYA) (funded by revenue Crown)	-	(42.471)	(33.968)	-	-
Historic Claims Resolution (MYA) (funded by revenue Crown)	-	42.471	33.968	-	-
Total Operating	-	-	-	-	-

Additional recommendations

- 8 **agreed in principle**, subject to confirmation at a future baseline update, that any underspends in the Historic Claims multi-year appropriation at the end of 30 June 2020 be transferred to the Historic Claims Resolution multi-year appropriation with no impact on the operating balance and/or net core Crown debt across the forecast period;
- 9 **authorised** the Minister of Finance and the Minister for Social Development jointly to agree the final amount to be transferred, following completion of the 2019/20 audited financial statements of the Ministry of Social Development;

- 10 **noted** that the amounts shown in the Appropriation Changes table for the multi-year appropriation: "Historic Claims Resolution" is the indicative annual spending profile;
- 11 **agreed** that the multi-year appropriation: "Historic Claims Resolution" is established at \$76.439 million;
- 12 **agreed** the multi-year appropriation: "Historic Claims" is adjusted by \$(76.439) million;
- 13 **noted** that amounts shown in the Appropriation Changes table for the multi-year appropriation: "Historic Claims" outline the change to the indicative annual spending profile.

Vote: Social Development

Title: Fiscally Neutral Adjustment for Ministry of Social Development's Departmental Appropriations to Meet Changes in Cost Drivers in 2019/20

Description: The Ministry of Social Development allocates indirect and overhead costs to appropriations based on various cost drivers such as time spent on activities, volume data and demand driven services. A fiscally neutral adjustment is sought to reflect changes in cost drivers during 2019/20 and the flow-on impact on a number of appropriations.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Departmental Output Expenses:					
Administration of Service Cards (funded by revenue Crown)	0.200	-	-	-	-
Data, Analytics and Evidence Services (funded by revenue Crown)	2.200	-	-	-	-
Income Support and Assistance to Seniors (funded by revenue Crown)	1.200	-	-	-	-
Investigation of Overpayments and Fraudulent Payments and Collection of Overpayments (funded by revenue Crown)	1.450	-	-	-	-
Management of Student Loans (funded by revenue Crown)	(0.200)	-	-	-	-
Management of Student Support (funded by revenue Crown)	(0.200)	-	-	-	-
Planning, Correspondence and Monitoring (funded by revenue Crown)	1.200	-	-	-	-
Policy Advice (funded by revenue Crown)	1.400	-	-	-	-
Processing of Veterans' Pensions (funded by revenue Crown)	0.050	-	-	-	-
Promoting Positive Outcomes for Disabled People (funded by revenue Crown)	(0.400)	-	-	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Promoting Positive Outcomes for Seniors (funded by revenue Crown)	0.100	-	-	-	-
Services to Support People to Access Accommodation (funded by revenue Crown)	0.350	-	-	-	-
Multi-Category Expenses and Capital Expenditure:					
Community Support Services (MCA) <i>Departmental Output Expenses:</i>					
Developing and Managing Community Services (funded by revenue Crown)	2.000	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Community Support Services (MCA)	2.000	-	-	-	-
Improved Employment and Social Outcomes Support (MCA) <i>Departmental Output Expenses:</i>					
Administering Income Support (funded by revenue Crown)	16.852	-	-	-	-
Improving Employment Outcomes (funded by revenue Crown)	(31.417)	-	-	-	-
Improving Work Readiness Outcomes (funded by revenue Crown)	4.615	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Improved Employment and Social Outcomes Support (MCA)	(9.950)	-	-	-	-
Partnering for Youth Development (MCA) <i>Departmental Output Expenses:</i>					
Administering Youth Development (funded by revenue Crown)	0.600	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Partnering for Youth Development (MCA)	0.600	-	-	-	-
Total Operating	-	-	-	-	-