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Cabinet Document Details

Title: **Cabinet Minute CAB-20-MIN-0328.20: COVID-19 Response and Recovery Fund (CRRF) July Package: Vote Social Development**

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Cabinet

Minute of Decision

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COVID-19 Response and Recovery Fund (CRRF) July Package: Vote Social Development

On 6 July 2020, Cabinet:

- 1 **approved** the attached initiatives for the above Vote for inclusion in the COVID-19 Response and Recovery Fund (CRRF) July package;
- 2 **agreed** to establish new appropriations where required to implement these initiatives, as described in the attached initiative documents;
- 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 **authorised** the Minister of Finance and relevant Appropriation Ministers to approve jointly any other changes to appropriations and/or capital injections, and the establishment of new appropriations where necessary, to give effect to the policy decisions outlined in the submission under CAB-20-SUB-0328;
- 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 prior to finalising the 2020/21 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 **agreed** that any and all underspends related to the initiatives approved in this package be returned to the CRRF, until it ceases to exist, at which point they be returned to the centre;
- 9 **agreed** that the changes to appropriations and/or capital injections for 2020/21 in the attached initiative documents be included in the 2020/21 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;
- 10 **agreed** that the expenses incurred under the attached initiative documents be charged against the COVID-19 Response and Recovery Fund established as part of Budget 2020;

- 11 **noted** 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.

Michael Webster
Secretary of the Cabinet

Vote: Social Development

Title: Additional Funding for Employment Services Response

Description: This initiative expands the Ministry of Social Development’s employment services to meet increased demand due to the economic impact of COVID-19. The Ministry of Social Development provides services supporting people into the labour market and minimising long term benefit dependence.

The initiative funds additional employment programmes and services that build upon the previously funded initiative ‘Employment Service Response to COVID-19’ and components of ‘Employment and Financial Support Response to COVID-19’.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	54.000	-	-	-
Debt Impact	-	5.200	-	-	-
No Impact	-	-	-	-	-
Total	-	59.200	-	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Capital Injections:					
Ministry of Social Development - Capital Injection	-	5.200	-	-	-
Multi-Category Expenses and Capital Expenditure:					
Improved Employment and Social Outcomes Support (MCA)					
<i>Departmental Output Expenses:</i>					
Improving Employment Outcomes (funded by revenue Crown)	-	40.500	-	-	-
Improving Work Readiness Outcomes (funded by revenue Crown)	-	13.500	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Improved Employment and Social Outcomes Support (MCA)	-	54.000	-	-	-
Total Operating	-	54.000	-	-	-
Total Capital	-	5.200	-	-	-

Initiative No: 12910

Vote: Social Development

Title: Extending Temporary Deferral Measures to Manage Demand

Description: This initiative enables the continuation of several temporary measures put in place in March 2020 to assist the Ministry of Social Development to manage unprecedented demand in response to the economic impact of COVID-19. Measures to be extended through this initiative are: suspension of the 52-week reapplication requirement; suspension of the requirement to provide subsequent work capacity medical certificates; and the temporary removal of initial income stand-downs.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	150.514	23.419	-	-
Debt Impact	-	(3.973)	(0.325)	-	-
No Impact	-	17.881	2.649	-	-
Total	-	164.422	25.743	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Benefits or Related Expenses:					
Accommodation Assistance	-	9.462	1.974	-	-
Hardship Assistance	-	(1.489)	0.150	-	-
Jobseeker Support and Emergency Benefit	-	128.871	17.214	-	-
Jobseeker Support and Emergency Benefit	-	16.101	2.156	-	-
Sole Parent Support	-	12.013	3.662	-	-
Sole Parent Support	-	1.634	0.474	-	-
Supported Living Payment	-	0.773	0.095	-	-
Supported Living Payment	-	0.104	0.013	-	-
Youth Payment and Young Parent Payment	-	0.314	0.048	-	-
Youth Payment and Young Parent Payment	-	0.042	0.006	-	-
Non-Departmental Capital Expenditure:					
Recoverable Assistance	-	(3.973)	(0.325)	-	-

Initiative No: 12910

	\$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 Expenses:</i>					
Administering Income Support (funded by revenue Crown)	-	0.570	0.276	-	-
Total Multi-Category Expenses and Capital Expenditure: Improved Employment and Social Outcomes Support (MCA)	-	0.570	0.276	-	-
Total Operating	-	168.395	26.068	-	-
Total Capital	-	(3.973)	(0.325)	-	-

Additional recommendations

- 12 **noted** that in March 2020, in response to the impacts of COVID-19, various temporary changes were made to the income support settings, including:
- 12.1 temporary suspension of the 52-week reapplication requirement;
 - 12.2 temporary suspension of the requirement to provide subsequent work capacity medical certificates;
 - 12.3 temporary removal of initial income stand-downs [CAB-20-MIN-0086];
- 13 **noted** that the significant and sustained economic impacts of COVID-19 have resulted in a higher than usual demand for the Ministry of Social Development's services, which is expected to continue into 2021;
- 14 **agreed** to extend the following temporary changes to ensure the Ministry of Social Development has the operational capacity to manage the increased demand:
- 14.1 suspension of the 52-week reapplication requirement for Jobseeker Support and Sole Parent Support clients for another six months from 1 October 2020 to 31 March 2021, which means the reapplication due dates for those that are due during this period will be extended out for another 52 weeks;
 - 14.2 temporary suspension of the requirement to provide subsequent work capacity medical certificates for clients on Jobseeker Support on the grounds of a health condition, injury or disability for another 10 months, from 1 October 2020 to 31 July 2021;
 - 14.3 temporary removal of initial income stand-downs for another eight months, from 24 November 2020 to 24 July 2021;

Initiative No: 12910

- 15 **agreed** to amend the Social Security Regulations 2018 under section 441 of the Social Security Act 2018 (the Act) to create a new time-based exemption from expiry for Jobseeker Support and Sole Parent Support clients to give effect to the decision in paragraph 14.1 above;
- 16 **agreed** to amend the Social Security Regulations 2018 under section 440 of the Act to create an exemption from stand-downs to reflect the decision in paragraph 14.3 above;
- 17 **noted** that under section 440(5) of the Act, the Minister for Social Development, having regard to the purpose and principles in sections 3 and 4 of the Act and the purpose of the stand-down concerned, is satisfied that the exemption in paragraph 16 above is not broader than is reasonably necessary to address the matters that gave rise to the regulations;
- 18 **invited** the Minister for Social Development to issue drafting instructions to the Parliamentary Counsel Office to draft amendments to give effect to the policy decisions in paragraphs 14 to 16 above;
- 19 **authorised** the Minister for Social Development to make minor and/or technical policy and administrative decisions to finalise draft regulation amendments in keeping with the policy objectives, to implement this package.

Initiative No: 12960**Vote:** Social Development**Title:** Strengthening Existing Debt Solution Services and Developing a National Approach to Address Problem Debt**Description:** This initiative will fund the development of a comprehensive National Debt Solution to problem debt and increase the effectiveness of the Building Financial Capability network. It will also fund four existing specialist Debt Solution services to meet the increased demand from approximately 3,400 clients seeking specialist debt support and debt consolidation services due to the economic impact of COVID-19. These services are intended to maximise the flow of potential payments to creditors while sheltering indebted individuals and whānau from the financial, health and social impacts of overwhelming debt.**Appropriation changes**

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	2.011	2.311	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	2.011	2.311	-	-

	\$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 Expenses:</i>					
Developing and Managing Community Services (funded by revenue Crown)	-	0.330	0.330	-	-
<i>Non-Departmental Output Expenses:</i>					
Community Support and Advice	-	1.681	1.981	-	-
Total Multi-Category Expenses and Capital Expenditure: Community Support Services (MCA)	-	2.011	2.311	-	-
Total Operating	-	2.011	2.311	-	-