

The Treasury

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Cabinet Document Details

Title: **Cabinet Minute CAB-20-MIN-0328: COVID-19 Response and Recovery Fund (CRRF) July Package**

Date: **6 July 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.

Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to sections of the Act under which information has 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 (CRRF) July Package

Portfolio Finance

On 6 July 2020, Cabinet:

Economic & Fiscal Context

- 1 **noted** that all spending initiatives set out in the submission under CAB-20-SUB-0328 will be charged against the COVID-19 Response and Recovery Fund (CRRF), so there will be minimal impact on the fiscal position relative to Budget 2020 forecasts (which assumed the CRRF to be spent in full);
- 2 **noted**, however, that the change in the economic outlook may still substantially affect the fiscal position relative to Budget;

Responding to COVID-19

- 3 **noted** that in Budget 2020, 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 [CAB-20-MIN-0155];
- 4 **noted** that \$32.2 billion has been charged against the CRRF to date, including the \$15.9 billion CRRF Foundational Package agreed by Cabinet on 11 May 2020;

COVID-19 Response and Recovery Fund July Package

- 5 **noted** that the focus of this package is supporting the continued delivery of critical services and setting the direction for long-term economic recovery, and that further initiatives will be part of subsequent funding rounds;
- 6 **noted** that the Minister of Finance has retained a buffer of just under \$15 billion of unallocated funding in the CRRF to ensure the government is well placed to respond to future challenges, including possible further outbreaks of the virus;
- 7 **noted** that the initiatives funded through the CRRF align to the criteria previously agreed by Cabinet and demonstrate that:
 - 7.1 funding is needed as a direct result of COVID-19;
 - 7.2 funding is needed outside of the normal budget cycle to support the response and/or recovery from COVID-19; and

- 7.3 the additional costs cannot be managed from within existing baselines;
- 8 **agreed** to the CRRF July Package of \$3.163 billion, as set out in the submission under CAB-20-SUB-0328 and the attached initiative documents;
- 9 **approved** the CRRF July package initiatives for each Vote, as detailed in the initiative documents attached to the submission under CAB-20-SUB-0328;
- 10 **agreed** to establish new appropriations where required to implement the initiatives, as described in the initiative documents for each Vote;
- 11 **approved** 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;
- 12 **approved** the additional recommendations to give effect to the initiatives, as set out in the initiative documents;
- 13 **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;
- 14 **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;
- 15 **authorised** the chief executives of departments that monitor Crown entities directly affected by the decisions in this minute and the initiative documents 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;
- 16 **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;
- [33]

Technical Decisions

- 19 **noted** that, in June 2020, Cabinet agreed that the Minister of Housing and Minister for Social Development would seek funding for the additional operational costs of \$725,000 required to implement the policy decisions to expand access to the Rent Arrears Assistance Housing Support Product until 31 December 2020 [SWC-20-MIN-0052];
- 20 **agreed** to fund the additional operational costs referred to in paragraph 19 above associated with the temporary policy changes to expand the Rent Arrears Assistance Housing Support Product;

21 **approved** the following changes to appropriations to give effect to the decision in paragraph 20 above, with a corresponding impact on the operating balance and net core Crown debt:

	\$m - increase/(decrease)				
Vote Social Development Minister of Housing	2020/21	2021/22	2022/23	2023/24	2024/25 & outyears
Departmental Output Expense:					
Services to Support People to Access Accommodation (funded by revenue Crown)	0.725	-	-	-	-

22 **agreed** to delegate authority for detailed policy, design and implementation decisions for the Residential Construction Response Fund to the Minister of Housing, Minister of Finance and the Minister for Building and Construction, including any required changes to appropriations;

Financial Implications

23 **agreed** that the changes to appropriations and/or capital injections for 2020/21 in paragraph 21 and the initiative documents attached to the submission under CAB-20-SUB-0328 be included in the 2020/21 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;

24 **agreed** that the expenses incurred under paragraph 21 above and the initiative documents attached to the submission under CAB-20-SUB-0328 be charged against the COVID-19 Response and Recovery Fund established as part of Budget 2020;

Communications

25 **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