

The Treasury

COVID-19 Response and Recovery Fund Reporting Information Release

August 2021

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PD-5-7-8 (Reporting Cycle 7)

Date: 25 September 2020

To: Minister of Finance (Hon Grant Robertson)

Deadline: None
(if any)

Aide Memoire: Seventh report on delivery of specific COVID-19 Response and Recovery Fund (CRRF) and Budget 2020 initiatives

Background

On 11 September 2020, the Treasury provided you and the Implementation Unit (IU) with the sixth report on the delivery progress of the 115 funded initiatives that the IU is tracking (T2020/2831 refers). This included initiatives funded through the COVID-19 Response and Recovery Fund (CRRF) and Budget 2020. All updates on progress since 11 September in the attached slide pack are based on information provided by the agencies responsible for the delivery of these initiatives.

This is the seventh progress report. This report includes the additional information you requested on the Conservation portfolio, including an overview of the Jobs for Nature programme. We expect the eighth report to be the final report in this format. It will include an overview of reporting progress to date and the lessons learned across the reporting period.

Overview

In addition to the updates provided by agencies in the slide pack, this report includes the following analysis:

- Overview of Implementation Unit initiatives – Annex A
- Allocated and actual spending by portfolio (as at 21 September 2020) – Annex B
- Upcoming announcements to November (as at 21 September 2020) – Annex C
- Overview of 'emergency initiatives' (as at 21 September 2020) – Annex D
- Additional analysis on the Conservation portfolio – attached Aide Memoire T2020/3202 and the Jobs for Nature spreadsheet.

Analysis

The total allocated operating expenditure (OPEX) and capital expenditure (CAPEX) for all 115 initiatives is \$29,407.4 million OPEX and \$3,240.8 million CAPEX. Annex A provides an overview of these initiatives against the Government's broader investment landscape, and key updates for the seventh report.

Seventh Report Highlights

Key Indicators

Total OPEX spending to date has increased by \$1,517.1 million (+10.6%) since the first report to \$15,855.4 million (59.0% of total allocated OPEX for 2019/20 and 2020/21).¹ This includes the increase in spending on the wage subsidy scheme and the administration costs for MSD of \$1,097.4 million to a total of \$13,521.4 million (84.8% of total allocated OPEX for 2019/20 and 2020/21 for the scheme). Since the sixth report, there has been \$250.8 million of additional spending (including \$136.5 million of additional wage subsidy spending).

See Table 1 below and refer to Annex B for a more detailed comparison.

Table 1: Total OPEX allocated and spending to date for IU initiatives

<i>For 115 initiatives</i>	Total OPEX allocated (including out-years)	Total OPEX allocated (2019/20 & 2020/21)²	Spending to date (as of seventh report)	Change from first report \$ (%)	Spending to date as a % of OPEX allocated (2019/20 & 2020/21)
Total including wage subsidy scheme (WSS)	\$29,407.4	\$26,865.6	\$15,855.4	\$1,517.1 (+10.6%)	59.0%
WSS	\$15,935.3	\$15,935.3	\$13,521.4	\$1,097.4 (+8.8%)	84.8%
Total excluding WSS	\$13,472.1	\$10,930.2	\$2,334.1	\$419.8 (+22.0%)	21.4%

Of the 115 tracked initiatives, 34 initiatives have nil spend to date. 22 of these initiatives are existing programmes, out of which 3 have no implementation plans and no external reporting processes in place. 12 of these initiatives are new programmes, out of which 2 have no implementation plans and no external reporting processes in place. Implementation plans and reporting processes are key early steps in the delivery process.

¹ This is based on information provided by agencies for this reporting process. You may have separately received more up-to-date information from other sources.

² This includes the \$5.1b March 17 Wage Subsidy funding but does not account for any approved In-Principle Expense Transfers or other transfer mechanisms for 2019/20 funding. Refer Aide Memoire T2020/2504 for more detail.

The table below summarises the number of initiatives across implementation fields and is based on agency reporting as of the seventh report.

Table 2: Initiatives by implementation detail as of the seventh report

	No. of initiatives	% of Total Initiatives (115)
Initiatives with implementation plans	83 (↑3 from R6)	72%
Initiatives with external reporting	61 (↑2 from R6)	53%
Initiatives with internal reporting	83 (NC from R6)	72%
Initiatives with flagged risks	49 (↓4 from R6)	43%
Initiatives with flagged outcomes achieved ³	45 (NC from R6)	39%

The number of Ministerial announcements expected between now and November are summarised in Table 3. Refer to Annex C for more detail on these announcements.

Table 3: Number of upcoming Ministerial announcements

Month	Number of expected announcements
September	9
October	8
November	1
TBC	2
Total	20

Table 4 summarises the number of initiatives by delivery status (i.e. where they are placed across the delivery lifecycle).

Table 4: Number of initiatives by delivery status

Delivery Status	Description	Number of Initiatives	OPEX Funding Allocated \$m	OPEX Spend to date \$m
Initiation	Understanding project goals, deadlines, priorities and risks	0 (NC from R6)	-	-
Planning	Detailed planning underway including estimation & scheduling	35 (-6 from R6)	3,169.4	14.9
Delivery in progress	Delivery of project is being executed	67 (+6 from R6)	9,701.4	2,173.2
Delivery completed	Project delivery has been completed	-	-	-
Outcomes achieved & completed ⁴	Project has delivered all benefits	2 (N/C from R5)	31.1	30.57

3 This includes initiatives that have fully achieved outcomes or achieved outcomes in part.

4 This refers to initiatives that have fully delivered the outcomes expected and delivery has been completed.

Initiative Categorisation

Annex D provides a summary of progress on twenty initiatives which we consider address an 'emergency'.⁵ Progress of these initiatives is rated using RAG ratings (red, amber, green). The rating is based on actual spending to date (including as a percentage of allocated funding for 2019/20 and 2020/21), status delivery and any outcomes achieved.⁶

We present this new annex as a way of categorising the 115 initiatives to help identify where risks might lie, and therefore where further investigation and action might be required. We have focused on this particular categorisation as these initiatives are ones where progress is expected to have occurred over a short-term. We would suggest that, where a Minister has initiatives that have red risk rating, you ask your colleague what is happening to get these initiatives on track.

Of those twenty initiatives, four have been rated as red with little spend, no implementation plan or no external reporting in place, and no outcomes achieved yet. Table 5 summarises emergency initiatives by portfolio.

Table 5: Emergency initiatives by portfolio

Portfolio	Number of Initiatives	OPEX Funding Allocated \$m	OPEX Spend to date \$m
Minister for Arts, Culture and Heritage	4	58.4	8.0
Minister of Education	4	243.9	54.9
Minister of Health	3	301.6	91.1
Minister of Housing	2	670	0.2
Minister for Research, Science and Innovation	1	117.4	45.1
Minister for Social Development	3	294.6	14.5
Minister of Tourism	1	400.0	21.4
Minister of Transport	2	242.2	41.8
Total	20	2,328.1	277.0

Additional portfolio analysis

As requested, the Treasury has provided additional analysis on initiatives in the Conservation portfolio, specifically the 'Jobs for Nature' programme. The 'Jobs for Nature' deep dive is in the attached Aide Memoire (T2020/3202 refers) and spreadsheet. This will provide you with more detailed information on the expenditure and job creation profile. This will also present questions and feedback that you could provide to relevant Ministers should you have concerns with the progress of the package.

⁵ The term 'emergency' is loosely defined here, but encompasses initiatives which, if not done successfully, will mean significant impacts in the short term. This could include the collapse of an institution, the reduction of baseline services, or notable immediate impacts on people.

⁶ This excludes large demand-driven initiatives such as the wage subsidy and income relief initiatives.

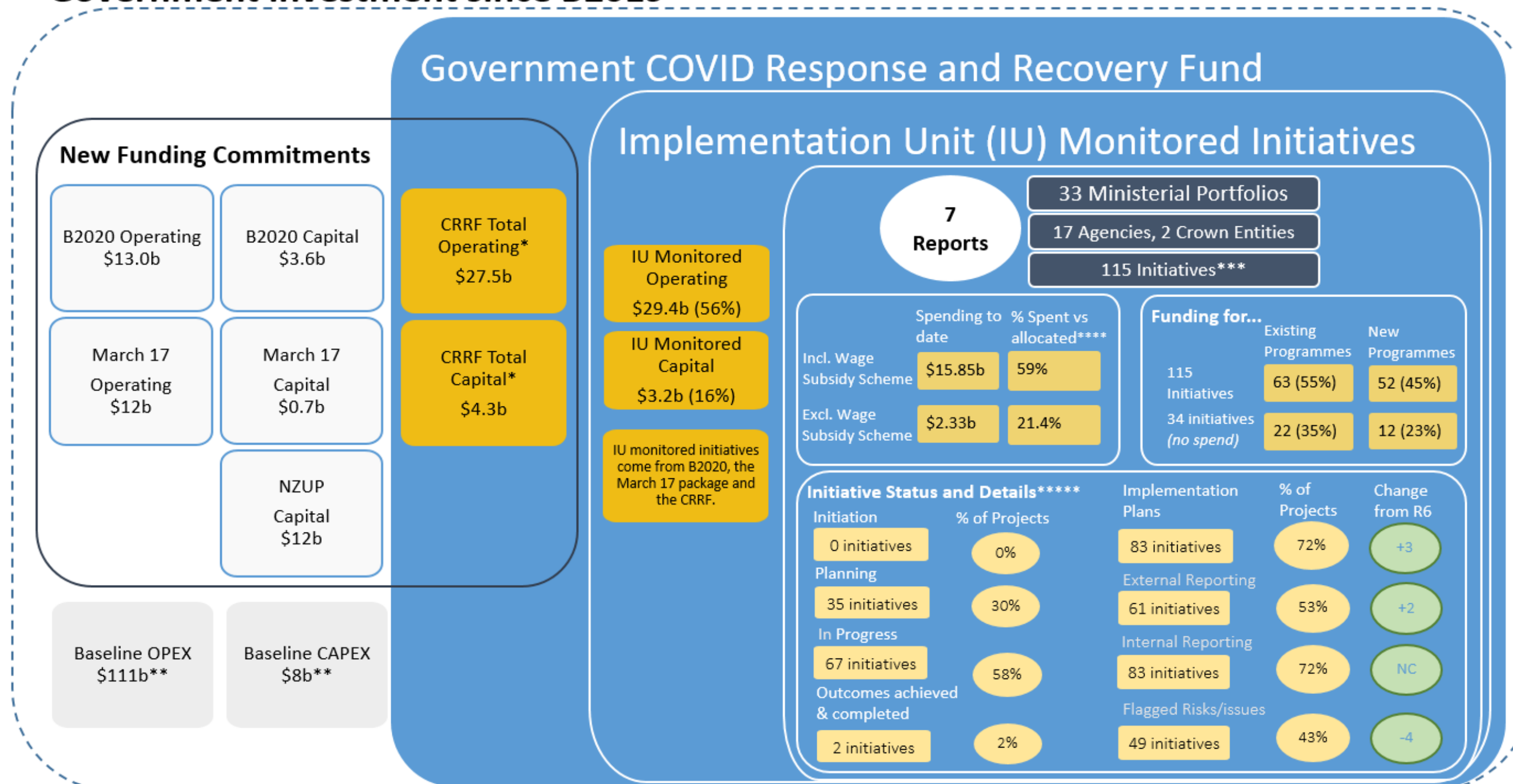
Next steps

We suggest you provide feedback on the slide pack. We intend to send you and the IU, a final report based on agency reporting (Report 8) on Friday 9 October. This will include a summary report on the progress of initiatives tracked by the IU to date along with the lessons learned across the reporting period for you to consider.

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Government investment since B2019



*Excludes CRRF 2 funding

**Interim Financial Statements of the Government of New Zealand for the ten months ended 30 April, 2020

***This includes the IRG infrastructure initiative however, reporting on this has been agreed through a different process.

****Allocated to 2019/20 and 2020/21 and does not exclude approved In-Principle Expense Transfers or other transfer mechanisms

***** The delivery status detail excludes the IRG infrastructure initiative and WSS-related initiatives.

Annex B: Allocated and actual spending by portfolio (as at 21 September 2020)

Portfolio	Number of initiatives	Total spending to date as at first report (\$m)	Change in spending (first to sixth report) (\$m)	Change in spending (sixth to seventh report) (\$m)	Total spending to date as at seventh report (\$m)	Total Budget OPEX Allocated (\$m)	% of Spending vs allocation (in 2019/20 & 2020/21)
Minister for Social Development (MSD)	23	12,439.5	1,063.3	167.2	13,670.0	17,180.5	81.1%
Minister of Revenue (IR)	3	1,510.0	151.1	10.4	1,671.5	5,022.0	23.7%
Minister of Health (MoH)	5	99.6	-1.8	-3.0	94.7	367.1	53.8%
Minister of Education	14	33.5	14.6	11.5	59.6	1,678.9	6.4%
Minister for Racing (DIA)	1	41.2	6.9	0.0	48.1	52.5	91.5%
Minister of Research, Science and Innovation (MBIE)	2	45.8	0.0	0.0	45.8	118.4	38.8%
Minister of Transport (MoT)	2	13.2	24.0	4.6	41.8	242.2	17.3%
Minister of Broadcasting, Communications and Digital Media	1	18.1	21.5	-0.2	39.4	50.0	78.9%
Minister for Biosecurity (MPI)	3	3.0	-2.7	36.8	37.1	160.0	82.8%
Minister for Whānau Ora (TPK)	1	20.5	0.0	8.2	28.7	136.1	30.4%
Minister for Small Business	3	22.7	0.0	0.0	22.7	37.3	60.7%
Minister of Tourism (MBIE)	1	78.7	-57.3	0.0	21.4	400.0	10.7%
Minister for Sport and Recreation (Sport NZ)	2	4.6	0.1	11.9	16.6	266.7	11.1%
Minister for Arts, Culture and Heritage	11	0.7	15.8	0.0	16.5	365.0	7.7%
Minister for Energy and Resources	1	2.6	13.0	0.0	15.6	56.4	55.2%
Minister of Agriculture (MPI)	2	2.1	4.9	-0.4	6.7	34.2	28.2%
Minister for Children (Oranga Tamariki)	2	0.1	3.6	0.9	4.6	177.9	15.8%
Minister of Conservation (DOC)	3	0.0	2.7	0.0	2.7	501.8	1.8%
Minister for the Environment (MfE)	3	0.0	2.1	0.4	2.5	457.1	4.6%
Minister of Internal Affairs (DIA)	2	0.6	0.8	0.8	2.3	61.9	8.6%
Minister for Economic Development	3	0.2	1.5	0.0	1.8	279.5	1.9%
Minister for Māori Development (TPK)	3	0.0	0.3	1.2	1.4	33.8	9.5%
Minister of Housing	5	0.6	0.3	0.1	1.0	795.0	3.7%
Minister of Finance (TSY)	2	0.8	0.0	0.0	0.8	538.0	1.3%
Minister for Employment	4	0.1	0.6	0.0	0.6	244.5	1.0%
Minister for Pacific Peoples (MPP)	5	0.0	0.5	0.1	0.6	64.7	2.4%
Minister for Rural Communities (MPI)	1	0.1	0.2	0.0	0.4	15.6	4.3%
Minister for Workplace Relations and Safety	2	0.0	0.2	0.0	0.2	11.0	2.7%
Minister for Government Digital Services (DIA)	1	0.2	0.0	0.0	0.2	15.0	1.4%
Minister of Fisheries (MPI)	1	0.0	0.1	0.0	0.1	4.6	6.8%
Minister for Ethnic Communities (Office of Ethnic Communities)	1	0.0	0.0	0.0	0.04	2.1	3.2%
Minister for Courts (MoJ)	1	0.0	0.0	0.0	0.0	37.9	0.0%
Minister for Infrastructure	1	0.0	0.0	0.0	0.0	0.0	
Grand Total	115	14,338.3	1,266.3	250.8	15,855.4	29,407.4	59.0%

Annex C: Upcoming announcements (as at 21 September 2020)

Portfolio	Month	Date	Announcement description
Minister for Arts, Culture and Heritage	October	TBC	<i>Mātauranga Māori</i> : Funding allocations.
	October	29/10/2020	<i>Expansion of Creatives in Schools</i> : Results announcement of successful Schools and Kura of Round 2.
Minister for Economic Development	October	TBC	<i>Industry Policy</i> : Launch of draft digital technologies ITP.
	November	TBC	<i>Industry Policy</i> : Launch of fund for EMF.
Minister of Education	September	23/09/2020	<i>School Lunches</i> : Tender to be launched on GETS.
	September	Late Sep.	<i>Adult And Community Education (ACE)</i> : Funding application on TEC website for 2021 opens.
	September	23/09/2020	<i>Targeted support for Pacific Learners and Families</i> : Announcement of Pacific Education Fund.
Minister for Employment	September	TBC	<i>Regional Skills Leadership Groups (RSLG)</i> : Announcement of the two remaining interim RSLGs.
	October	TBC	<i>Maori Apprenticeships Fund</i> : Announce initial Māori entities chosen to deliver partnership initiatives.
	October	Early Oct.	<i>He Poutama Rangatahi</i> : Announcements potentially to be made around expanding the scheme.
Minister of Fisheries	TBC	TBC	<i>Fisher Support Network</i> : Reference to Fisher Support Network might be made as part of other Fisheries announcements.
Minister for Government Digital Services	TBC	TBC	<i>Digital Skills</i> : Description of activity in Action Plan to be released.
Minister of Housing	September	TBC	<i>Progressive Home Ownership Fund: Phase 1</i> : Announcement on Second Group of Phase 1 contracts.
Minister for Pacific Peoples	September	TBC	<i>Tupu Aotearoa</i> : Nationwide event when all existing Tupu providers confirm their updated contracts/volumes and funding (approximately 12 providers across 21 individual contracts covering 9 different regions).
	September	TBC	<i>Pacific Community Content</i> : Announcement re AOG effort for Pacific Communities.
	October	TBC	<i>Tupu Aotearoa</i> : A separate launch event is expected for the successful Northland and Nelson/Marlborough providers, once selected.
Minister for Rural Communities	September	TBC	<i>Mitigating the impacts on primary sector and rural communities</i> : Establishment of interagency community hub forum and COVID recovery report on uptake and services.
Minister for Social Development	September	30/09/2020	<i>He Poutama Taitamariki</i> : Current work is underway for external marketing of HPT services accessibility. The collateral covers Brochures for Youth, Caregivers, Employer, General public, use of Social media platform, and Marketing tools (Banners, Plinths and Virtual reality).
	October	1/10/2020	<i>Services To Support More Disabled New Zealanders</i> : Announcement of services.
	October	TBC	<i>COVID-19: Boosting Building Financial Capability Services To Assist The Recovery Of Individuals And Whanau Impacted</i> : Announcement of additional funding allocation.

Annex D: Overview of emergency initiatives (as at 21 September 2020)

Minister	Title and Immediate Objective ⁷	Funding Type	Spending to date (\$m) and as a % vs OPEX allocated (in 2019/20 and 2020/21)	Progress ⁸
Minister for Arts, Culture and Heritage	Antarctic Heritage Trust - Remaining Viable From The Impact Of Covid-19 Ensure the survival of the Antarctica Heritage Trust.	Top-up for existing programme	0.7 50.0%	In progress. Fully on track. First payment of two was made 1 July, second will be made 1 Jan 2021.
Minister for Arts, Culture and Heritage	Creative New Zealand – Retain Core Arts Infrastructure And Deliver Arts Projects In Communities Ensure arts organisations remain viable and core creative skills are retained.	Top-up for existing programme	6.2 25.0%	In progress. Grants rounds are running quickly and funding is being granted.
Minister for Arts, Culture and Heritage	Mātauranga Māori Te Awe Kōtuku Fund Protect irreplaceable mātauranga central to Māori cultural identity.	New programme	0 0%	In planning phase. No spend, no outcomes achieved. Funding framework approved, but the potential announcement on funding allocations has been pushed from September to October.
Minister for Arts, Culture and Heritage	Pasifika Festivals initiative Short-term financial support to help Pasifika festivals experiencing hardship to remain viable and continue operating.	New programme	1.0 25.0%	In progress. Outcomes partly achieved – one festival has received funding – and an application system is has now started for further funding.
Minister of Education	Establishing A Student Hardship Fund For 2020 Financial support for students not otherwise supported, which can ensure continued education.	New programme	19.5 97.4%	Outcomes achieved & completed.
Minister of Education	Increasing Wellbeing And Mental Health Support To Learners And Education Workforce Increase mental health support for students and education workers to cope with expected increase in demand due to the effects of COVID-19.	New programme	10.8 14.2%	In progress. No outcomes achieved. No external reporting. Implementation is expected in 2021.
Minister of Education	Providing students with remote access to online digital resources (Op) Provide education during lockdown to those unable to afford the necessary technology.	New programme	21.5 76.9%	In progress. Many outcomes achieved, rest in progress.
Minister of Education	Support For Group Training Schemes To Retain Apprentices In Preparation Of Post-COVID-19 Economic Recovery Schemes to continue to employ unsupported apprentices to prevent loss of education and ensure a skilled workforce.	New programme	3.1 16.0%	In progress. No outcomes achieved, no internal or external reporting. First milestone report was submitted on 15 September and is being assessed.
Minister of Health	Managed arrivals into New Zealand - managed isolation support Ensure continued operation of managed isolation and quarantine.	Top-up for existing programme	80 137.9%	In progress. Outcomes achieved, though has exceeded its funding due to higher than expected arrivals.
Minister of Health	Planned Care – Covid-19 Backlog Address increases in waiting list times incurred during level 4 lockdown.	Top-up for existing programme	0 0%	In planning phase. No outcomes achieved, no funds spent yet, no internal or external reporting. Cabinet paper on proposed funding allocation went to Cabinet on 7 August. Next milestone is not until 16 October, and additional service improvements are intended to be agreed with DHBs on 6 November.

⁷ Immediate refers to the objective related to an 'emergency' and may not be the only objective for the initiative.

⁸ This includes delivery status and the status of implementation plans and reporting processes.

Minister	Title and Immediate Objective ⁷	Funding Type	Spending to date (\$m) and as a % vs OPEX allocated (in 2019/20 and 2020/21)	Progress ⁸
Minister of Health	Supporting Emergency Road Ambulance Services Through COVID-19 Short-term funding to replace lost revenue.	Top-up for existing programme	11.1 100%	Outcomes achieved & completed.
Minister of Housing	Government Housing Build Programme Provide more places for temporary transitional housing.	Top-up for existing programme	0 0%	In planning phase. No outcomes achieved, no internal or external reporting, no implementation plan, no funds spent.
Minister of Housing	Increasing Funding For Rent Arrears Assistance In Response To Impact Of COVID-19 Fund Housing Support Product rent arrears assistance, for which demand is expected to increase, to help people stay in their homes.	Top-up for existing programme	0.2 12.4% (CAPEX)	In progress. Programme went live in July. Has spent 12% of its total budget. Initial evidence shows that RAA is achieving its intended purpose for those who meet the criteria and received it, however, temporary support measures in place have acted as an economic cushion and we expect to see an increase in spend as these temporary measures come to an end.
Minister for Research, Science and Innovation	Crown Research Institute COVID-19 Response And Recovery Retain critical scientific capability and continue research.	Top-up for existing programme	45.1 38.4%	In progress. Outcomes achieved, with payments made to Crown Research Institutes and the continued payment schedule planned out.
Minister for Social Development	COVID-19: Providing Support For Foodbanks, Food Rescue And Community Food Services In The COVID-19 Recovery Providing food to those affected by economic hardship.	Top-up for existing programme	5.8 34.0%	In progress. Outcomes achieved in part, with all grants so far issued. Full reporting in place.
Minister for Social Development	COVID-19: Responding To Increased Demand For Family Violence Services Provide support to deal with expected increases in family violence arising from lockdowns.	Top-up for existing programme	0 0%	In progress. No outcomes achieved, no spending so far. No external reporting. No announcements planned. Implementation of first component expected 20 November. MSD advised it has indicated to providers that they are to increase spending through existing contracts. This will enable current demand to be managed while new funding contracts are put in place (using this additional funding).
Minister for Social Development	Employment And Financial Support Response To COVID-19 Increase MSD workforce to provide financial support services given expected unemployment effects of COVID-19.	Top-up for existing programme	8.8 8.0%	In progress. Delivered outcomes in part (650 FTE currently delivering income support services). Minimal spend to date. No internal or external reporting.
Minister of Tourism	Tourism Sector Recovery Fund Prevent or reduce collapse of tourism entities.	New programme	21.4 10.7%	In progress. Outcomes achieved in part. Most funds have been committed, though only 11% has actually been spent.
Minister of Transport	COVID-19 Funding To Maintain Essential Transport Connectivity Prevent failure of transport services.	New programme	5.6 (OPEX); 15 (CAPEX) 24.8% (OPEX); 0% (CAPEX)	In progress. Outcomes are being achieved in part. Full reporting in place.
Minister of Transport	Transport agency funding to address shortfall in cost recovery fee revenue (Op) Short-term funding for Civil Aviation Authority and Maritime NZ to ensure they remain a going concern.	Top-up for existing programme	40.5 17.1%	In progress. Outcomes are being achieved. Some funding has been provided to CAA and Avsec. MNZ has not required funds so far.