

The Treasury

COVID-19 Response and Recovery Fund Reporting Information Release

August 2021

This document has been proactively released by the Treasury on the Treasury website at

<https://www.treasury.govt.nz/publications/information-release/covid-19-response-and-recovery-fund-reporting>

On page 6, the Ministry of Education would like to note that:
The spends versus the four-year allocation is misleading. The spend should be compared to 2020/21 allocation figures.

On pages 7 and 10, please note that:
The redaction made on the Police portfolio is based on the ground of s18(d): 'that the information requested is or will soon be publicly available'. New Zealand Police is having its financial accounts audited and the information will soon be released afterwards.

On page 8, the Ministry for Pacific Peoples (MPP) would like to note:
The total allocated budget includes outyears as well as the remaining Housing contingency. MPP's appropriation for 2020/21 is only \$16.3M so MPP's spend at that time was 28% (not 7%).

In Annex B, the Ministry of Education would like to note that:

The following seven initiatives (50%) are funded beyond Budget 2020:

- *Increasing Wellbeing And Mental Health Support To Learners And Education Workforce (Funded to 2023/24)*
- *Increasing Trades Academy Places And Supporting Secondary Transitions (Funded to 2023/24)*
- *Careers System Online: Tiro Whetu (Funded to 2023/24)*
- *Adult And Community Education (Ace) - A Modern Approach To Night Classes (Funded to 2023/24)*
- *Establishing Workforce Development Councils To Support Covid-19 Recovery (Funded to 2023/24)*
- *Maintaining Kōhanga Reo Viability During The Post-COVID 19 Rebuilding Phase (Funded to 2023/24)*
- *Mitigating Impacts Of Socioeconomic Disadvantage: School Lunches (Funded to 2021/22)*

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:

- [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
- [35] 9(2)(g)(ii) - to maintain the effective conduct of public affairs through protecting ministers, members of government organisations, officers and employees from improper pressure or harassment;

- [37] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [42] 18(d) - information requested is or will soon be publicly available

Where information has been withheld, a numbered reference to the applicable section of the Act has been made, as listed above. For example, a [33] appearing where information has been withheld in a release document refers to section 9(2)(f)(iv).

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PD-5-7-10

Date: 17 February 2021

To: Minister of Finance (Hon Grant Robertson)

Deadline: None
(if any)

Aide Memoire: Report on delivery of COVID-19 related initiatives

Purpose

This Aide Memoire updates you on the progress of COVID-19 related initiatives. We are interested in your feedback on this report.

Background

In November 2020 you asked relevant Ministers to provide a report on progress of spending allocated via COVID-19 related funding. This information was provided on 29 January 2021.

As of 15 January 2021, \$52.0 billion has been allocated on COVID-19 response and recovery initiatives (\$12.2b before establishing the COVID-19 Response and Recovery Fund (CRRF), and \$39.8b from the CRRF).

The findings in this report are based on the information provided by agencies. There has been no follow-up with agencies regarding the quality of information or to understand any underlying factors in relation to initiative progress.

Reported progress

Overview

The scope of collection covers all COVID-19 related initiatives funded before the creation of the CRRF, by the two CRRF rounds, decisions made between the CRRF rounds and subsequently; with the exception of non-delivery initiatives. Non-delivery initiatives were either cash injections for revenue drops, technical accounting adjustments or tax changes.

Figure 1 shows the components of the total allocated funding and Table 1 summarises the funding and expenditure of tracked initiatives.

Figure 1: Components of the total allocated funding for COVID-19 initiatives (\$52.0 billion):

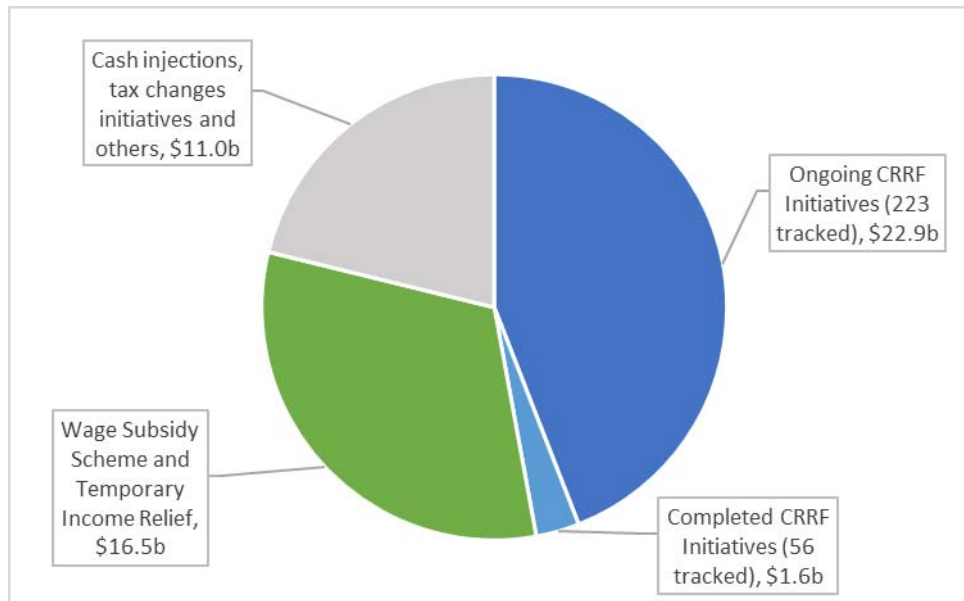


Table 1: Funding and expenditure of the total allocated funding for COVID-19 initiatives, excluding non-delivery initiatives:

	FY2019/2020		FY2020/2021	Total funding allocated	Total spending to 31 Dec 2020
	Funding allocated	Total spending	Funding allocated		
Wage Subsidy Scheme (Social Development)	\$15.2b	\$12.1b	\$0.7b	\$15.9b	\$13.3b
Temporary Income Relief (Social Development)	\$0.05b	\$0.02b	\$0.52b	\$0.6b	\$0.20b
56 completed initiatives				\$1.6b	\$1.5b
223 ongoing initiatives (excluding non-delivery initiatives)			\$10.56b	\$22.9b	\$6.9b

Completed initiatives

As of 31 December 2020, 56 initiatives have been completed. These initiatives are in three portfolios: health, education and social development. Table 2 gives an overview of spending on these 56 initiatives.

Table 2: Completed initiatives:

Portfolio	No. of initiatives	OPEX funding allocated (m)	CAPEX funding allocated (m)	Total spending (m)	% of spending vs total funding allocated
Education	9	\$213.7	\$99.0	\$245.9	79%
Health	40	\$687.5	\$8.3	\$612.4	88%
Social Development	7	\$559.4		\$600.0	107%
Wage Subsidy Scheme and Temporary Income Relief		\$16,470.0		\$13,500.0	82%

Of the completed initiatives, 93% reported that the outcomes have been delivered or were partly achieved. However, only three initiatives have a scheduled evaluation in place. The Treasury considers it is important for completed initiatives to be evaluated against the initial funding proposals.

The Wage Subsidy Scheme is the largest component from both an allocation and expenditure perspective (31% of the funding allocated to date). The Scheme was opened in March 2020, extended in June 2020 and then reopened in August 2020. The scheme was closed in September 2020 with a total spending of \$13.5 billion. Overall, 62% of jobs (excluding sole traders) were supported by a wage subsidy at least once. Of all jobs that received a wage subsidy, 32% were supported two or more times.

Ongoing initiatives

As of 31 December 2020, 223¹ initiatives are still being implemented. These initiatives have a total allocated operating expenditure (OPEX) of \$20,524 million and capital expenditure (CAPEX) of 2,378 million.

Total spending to 31 December 2020 of ongoing initiatives is \$6,927 million, or 30% of their total allocation. \$10,565 million is allocated for FY2020/2021, of which \$7,819 million is expected to be spent within the rest of FY2020/2021.

Refer to Annex A for an overview of ongoing CRRF funding and expenditure by portfolio.

97% of the ongoing initiatives were reported as on track to deliver the intended milestones and outcomes; 80% have achieved outcomes partly or fully.

Table 3: Status of ongoing initiatives as of 31 December 2020:

	No. of initiatives	% of ongoing initiatives (223)
Number of initiatives on track	215	97%
Number of initiatives with changes ²	58	26%
Number of initiatives with opportunity to be reprioritised	28	13%
Number of initiatives with remaining risks	10	5%
Number of initiatives with outcomes achieved ³	177	79%

Ten initiatives were reported as having remaining risks to delivery. These risks fall in three categories: supply risk, capability risk and the risk of demand exceeding current funding allocated.

There are 36 initiatives that have nil spend as of 31 December 2020. Of these, 17 are related to manifesto commitments and only one initiative suggested an opportunity to be reprioritised.

Despite no expenditure so far, 25 of the 36 initiatives are reported as being on track and only one reported remaining risks to delivery.

1 This excludes non-delivery initiatives such as cash injections for revenue drops, technical accounting adjustments or tax changes.

2 Changes refer to any change in original assumptions, the scope of the initiative, expected timeframes and outcomes/impacts expected to be delivered.

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

Next steps

We are interested in your feedback on this report. The data collected from this report will be used for three purposes:

- as input into the reprioritisation process underway as part of Budget 2021. We will report to you on this in a couple of weeks.
- to inform the proposed list of initiatives to be monitored by the Implementation Unit.
- to establish a base for ongoing reporting. We have some recommendations on the best way to establish an ongoing reporting process based on this data collection exercise, and the process prior to the election. We will discuss the next steps for ongoing reporting with your office.

Hoa Dao, Analyst, Strategic Performance Improvement, [39]

Megan Taylor, Manager, Strategic Performance Improvement, [39]

Annex A: Allocated and actual spending of tracked initiatives by portfolio (as at 31 December 2020), ordered by total allocated funding

Minister	Portfolio	Total OPEX allocated (\$m)	Total CAPEX allocated (\$m)	Total allocated budget (OPEX+CAPEX) (\$m)	Spending to date (\$m)	% of spending vs allocation
Hon Grant Robertson	Finance	888.0	1175.0	2063.0	410.0	20%
Hon Chris Hipkins	Education	1797.0	159.4	1956.4	232.1	12%
Hon Chris Hipkins	COVID-19 Response	1634.6	174.8	1809.5	312.7	17%
Hon David Parker	Revenue	1509.1	5.2	1514.3	1783.3	118%
Hon Chris Hipkins	COVID-19 Response / Health	1475.3	0	1475.3	42.3	3%
Hon Andrew Little	Health	1348.3	95.3	1443.6	372.1	26%
Hon Chris Hipkins	Tertiary Education	1388.7	15.0	1403.7	145.7	10%
Hon Carmel Sepuloni	Social Development	1394.0	5.4	1399.5	547.5	39%
Hon Andrew Little	Health (Research, Science and Innovation)	983.7	0	983.7	716.8	73%
Hon Dr Megan Woods	Housing	943.1	0	943.1	74.2	8%
Hon Stuart Nash	Regional Economic Development	695.7	124.2	819.9	196.3	24%
Hon Stuart Nash	Tourism	454.4	345.6	800.0	224.4	28%

Minister	Portfolio	Total OPEX allocated (\$m)	Total CAPEX allocated (\$m)	Total allocated budget (OPEX+CAPEX) (\$m)	Spending to date (\$m)	% of spending vs allocation
Hon Nanaia Mahuta	Local Government	762.0	1.4	763.4	271.3	36%
Hon Chris Hipkins / Hon Andrew Little	COVID-19 Response / Health	666.3	0.0	666.3	322.9	48%
Hon Michael Wood	Transport	605.5	5.0	610.5	312.7	51%
Hon David Parker	Environment	538.4	33.0	571.4	15.1	3%
Hon Kiritapu Allan	Conservation	501.8	0.0	501.8	34.6	7%
Hon Carmel Sepuloni	Arts, Culture and Heritage	356.2	0.0	356.2	96.3	27%
Hon Dr Megan Woods	Research, Science & Innovation	158.8	194.0	352.8	260.7	74%
Hon Stuart Nash	Economic development	284.7	0.0	284.7	46.2	16%
Hon Grant Robertson	Sport and Recreation	266.7	0.0	266.7	39.1	15%
Hon Carmel Sepuloni	Social Development and Employment	245.5	0.6	246.0	9.5	4%
Hon Kris Faafoi	Justice	200.8	4.5	205.2	29.9	15%
Hon Poto Williams	Police	194.6	0.2	194.7	[42]	
Hon Dr Megan Woods	Energy and Resources	162.0	13.0	175.0	28.4	16%

Minister	Portfolio	Total OPEX allocated (\$m)	Total CAPEX allocated (\$m)	Total allocated budget (OPEX+CAPEX) (\$m)	Spending to date (\$m)	% of spending vs allocation
Hon Damien O'Connor	Biosecurity	160.0	6.0	166.0	19.0	11%
Hon Kris Faafoi	Broadcasting, Communications & Digital Media	148.8	0.0	148.8	47.1	32%
Hon Dr David Clark	Commerce and Consumer Affairs	75.2	1.3	76.5	22.4	29%
Hon Jan Tinetti	Internal Affairs	67.5	0.0	67.5	9.0	13%
Hon Kelvin Davis	Corrections	56.0	10.7	66.7	25.4	38%
Hon Aupito William Sio	Pacific Peoples	64.7	0.0	64.7	4.6	7%
Hon Michael Wood	Workplace Relations and Safety	61.7	2.8	64.5	4.2	7%
Hon Grant Robertson	Racing	52.5	0.0	52.5	48.4	92%
Hon Kiritapu Allan	Emergency Management	51.0	0.0	51.0	36.3	71%
Hon Meka Whaitiri	Customs	50.0	1.0	51.0	10.4	20%
Hon Damien O'Connor	Agriculture	49.8	0.0	49.8	9.9	20%

Minister	Portfolio	Total OPEX allocated (\$m)	Total CAPEX allocated (\$m)	Total allocated budget (OPEX+CAPEX) (\$m)	Spending to date (\$m)	% of spending vs allocation
Hon Stuart Nash	Small Business	49.7	0.0	49.7	28.8	58%
Hon Damien O'Connor	Lands	41.0	0.0	41.0	0.8	2%
Hon Priyanca Radhakrishnan	Community and Voluntary Sector	37.6	0.0	37.6	26.7	71%
Hon Kris Faafoi	Immigration	23.4	4.2	27.6	0.5	2%
Hon Michael Wood	COVID-19 Response	24.6	0.0	24.6	0.0	0%
Hon Dr David Clark	Digital Economy and Communications	16.0	0.0	16.0	6.0	38%
Hon Poto Williams	Housing	7.6	0.0	7.6	4.2	55%
Hon Meka Whaitiri	Agriculture (Animal Welfare)	5.4	0.0	5.4	0.4	7%
Hon David Parker	Oceans and Fisheries	4.6	0.0	4.6	0.3	7%
Hon Poto Williams	Serious Fraud	3.9	0.1	4.0	0.3	8%
Hon Peeni Henare	Defence	3.9	0.0	3.9	0.8	21%
Hon Meka Whaitiri	Veterans	3.4	0.0	3.4	1.6	47%

Minister	Portfolio	Total OPEX allocated (\$m)	Total CAPEX allocated (\$m)	Total allocated budget (OPEX+CAPEX) (\$m)	Spending to date (\$m)	% of spending vs allocation
Hon Dr David Clark	Statistics	2.9	0.0	2.9	3.3	114%
Hon Priyanca Radhakrishnan	Diversity, Inclusion and Ethnic Communities	2.1	0.0	2.1	0.1	5%
Hon Kris Faafoi	Police	2.1	0.0	2.1	[42]	
Hon Jan Tinetti	Women	2.0	0.0	2.0	2.0	100%
Hon Kris Faafoi	Attorney-General	1.3	0.0	1.3	0.1	8%
Hon Kris Faafoi	Corrections	0.5	0.0	0.5	0.0	0%
Hon Kris Faafoi	Oranga Tamariki	0.2	0.0	0.2	0.0	0%
Grand Total		20,524.4	2,377.6	22,902.0	6,926.8	30%

Annex B: Initiatives with no spend (as at 31 December 2020)

Initiatives	Portfolio	OPEX funding allocated (m)	CAPEX funding allocated (m)
Funding the Health System Response to COVID-19 into 2012/22 - Community-Based Testing	COVID-19 Response / Health	984.05	0
Government Housing Build Programme	Housing	670.00	0
Minimising the health impacts of COVID-19 Tagged Operating Contingency	COVID-19 Response / Health	591.72	0
Business Finance Guarantee scheme	Finance	538.00	0
COVID-19 Vaccine Strategy - Update on vaccine purchasing	COVID-19 Response / Health	356.98	0
[37]			
Meeting Increased Learner Need For Tertiary Education	Tertiary Education	334.10	0
100% Qualified And Certificated Teachers	Education	278.25	0
SMEs - loosening tax loss continuity rules	Revenue	240.00	0
Establishing Workforce Development Councils To Support Covid-19 Recovery	Tertiary Education	230.00	0
SuperGold card health and eye check	Health	197.91	0
Managed Isolation and Quarantine (MIQ) Operating Model and Funding (Health)	Health	191.10	0
Residential Development Response Fund	Housing	100.00	0
Airways Corporation of New Zealand Ltd: Establishment of Uncalled Ordinary Share Capital Facility	Finance	0	95.00
Accelerating energy efficiency and fuel switching in industry to reduce emissions	Energy and Resources	70.00	0.021
Maternity Action Plan - Contingency Funding drawdown	Health	60.00	0

Initiatives	Portfolio	OPEX funding allocated (m)	CAPEX funding allocated (m)
Premium New Zealand Films for International Audiences	Arts, Culture and Heritage	50.00	0
Agresearch Lincoln Facility Development (capital contingency)	Research, Science & Innovation	0	45.00
Funding the Health System Response to COVID-19 - Northern Region response to COVID-19	Health	40.00	0
Increasing Trades Academy Places And Supporting Secondary Transitions	Tertiary Education	32.32	0
COVID-19: Financial Support Package for Television New Zealand Limited	Finance	0	30.00
Increasing Wellbeing And Mental Health Support To Learners And Education Workforce	Health	25.00	0
Managed Isolation and Quarantine (MIQ) Operating Model and Funding (Transport)	COVID-19 Response	24.61	0
Funding the Health System Response to COVID-19 (November report back) - Recovery of Managed Isolation & Quarantine Costs from 2019/20	Health	22.00	0
Radio New Zealand Baseline Funding Increase	Broadcasting, Communications & Digital Media	21.75	0
Support Plan for COVID-19 Cases and Close Contacts in the Community under Alert Levels 2 & 1	Health	20.00	0
Transitional Industry Training Organisation And Workforce Development Council-Led Covid-19 Response Projects	Tertiary Education	16.36	0
Adult and Community Education (ACE) funding increase	Tertiary Education	15.97	0
Increasing Official Assignee resources to manage growth in Insolvency cases due to COVID-19, Crown portion only	Commerce and Consumer Affairs	9.82	0

Initiatives	Portfolio	OPEX funding allocated (m)	CAPEX funding allocated (m)
Maintaining Support For International Education (Export Education Levy Funded Activities)	Tertiary Education	6.61	0
Pacific Business Procurement Support	Economic Development	6.25	0
Support for Industry Health and Safety Leadership Groups	Workplace Relations and Safety	3.71	0
Early Intervention: Te Kohanga Reo – Learning Support Initiative And Targeted Covid-19 Response	Education	2.84	0
Additional Resource For Skills And Employment Policy Team To Meet Increased Demand For Employment Policy Advice	Employment	0.96	0.16
Technology Support For School Children With Learning Support Needs	Education	1.00	0
Bad and doubtful debt appropriation increase as a result of the impact of COVID-19	Lands	1.00	0