

The Treasury

Advice on COVID-19 Response - Tranche Three Information Release

September 2022

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Cabinet

Minute of Decision

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Changes to the COVID-19 Support Payment Scheme

Portfolio **Finance**

On 7 March 2022, Cabinet:

- 1 **noted** the decision taken by the Minister of Finance and the Minister of Revenue under delegated authority to allow applicants to use an alternative comparator period of seven consecutive days within the six weeks prior to 15 February 2021 when applying for the COVID-19 Support Payment (CSPFEB22);
- 2 **agreed** to amend the current COVID vaccine certificate (CVC) requirement so that applicants using the 2021 comparator do not need declare they were CVC compliant in that comparator period;
- 3 **agreed** to set the affected revenue period as follows:
 - 3.1 CSP 1: 16 February – 4 April;
 - 3.2 CSP 2: 7 March – 4 April;
 - 3.3 CSP 3: 21 March – 4 April;
- 4 **noted** that applications will remain open for four weeks following the end of the affected revenue period;
- 5 **agreed** that recipients of the Ministry of Culture and Heritage's one-off emergency grant for self-employed individuals are able to apply for payments two and three;

Order in Council

- 6 **noted** that a new Order in Council is required to amend the COVID-19 Support Payments Scheme (Omicron Outbreak) Order 2022 to authorise Inland Revenue to make COVID-19 Support Payments on 14 March and 28 March;
- 7 **noted** that a waiver of the 28-day rule is sought:
 - 7.1 so that the Order in Council can come into force by 14 March 2022;
 - 7.2 on the ground that the scheme should be amended as soon as possible to allow a further payment to help businesses directly impacted by the Omicron outbreak;

- 8 **agreed** to a waiver of the 28-day rule so that the Order in Council can come into force by 14 March 2022;
- 9 **authorised** the submission to the Executive Council of the COVID-19 Support Payment Scheme (Omicron Outbreak 2022) Amendment Order 2022 [PCO 24625/5.0];

Financial Implications

- 10 **noted** that \$430 million was appropriated to meet the cost of CSPFEB22 payments [CAB-22-MIN-0030];
- 11 **noted** that each payment agreed under the CSPFEB22 was estimated to cost between \$160-\$260 million and will be met from the COVID-19 Support Payment appropriation;
- 12 **noted** that current uptake suggests each payment is likely to surpass the upper bounds of Treasury's estimates for the CSP (\$260 - \$300 million per payment) and a further increase in the appropriation of \$400 million is proposed to meet the expected costs of the CSPFEB22 payments;
- 13 **approved** the following changes to appropriations to meet the higher-than-expected demand for CSP payments, as noted in paragraph 12 above, with a corresponding impact on the operating balance and net core Crown debt:

	\$m – increase/(decrease)				
Vote Revenue Minister of Revenue	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Non-departmental Other Expense: COVID-19 Support Payment	400.000	-	-	-	-

- 14 **agreed** that the proposed change to the appropriation for 2021/22 in paragraph 13 be included in the 2021/22 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;
- 15 **agreed** that the expense incurred under the increase to the COVID-19 Support Payment appropriation under paragraph 13 be charged against the COVID-19 Response and Recovery Fund (CRRF) established as part of Budget 2020;
- 16 **authorised** the Minister of Finance and the Minister of Revenue to increase the COVID-19 Support Payment appropriation, by up to an additional \$100 million, as a further charge against the CRRF, to meet the costs generated by CSPFEB22.

Michael Webster
Secretary of the Cabinet