

Tēnā koe

On 25 May 2021, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following documents:

1. *REP/20/10/1037 - Budget 2021 - Initial View*, dated 6 November 2020;
2. *Results of analysis for Maori and Pacific People who were declined COVID-Income Relief Payment*, dated 6 November 2020;
3. *Briefing on Welfare System and Income Support*, dated 6 November 2020;
4. *REP/20/11/1044 - Cabinet paper - Support for foreign nationals from 1 December 2020*, dated 6 November 2020;
5. *REP/20/11/1072 - Quarterly update on benefit use and Household Labour Force Survey (HLFS) key results - September 2020*, dated 11 November 2020;
6. *REP/20/11/1045 - Implementing the manifesto commitment to increase abatement thresholds*, dated 13 November 2020;
7. *REP/20/11/1104 - Approval for foreign nationals to access Emergency Benefit and operational settings*, dated 24 November 2020;
8. *REP/20/11/1112 - Additional funding required to pay Working for Families tax credits to foreign nationals receiving Emergency Benefit*, dated 25 November 2020;
9. *REP/20/11/1146 - Future of the COVID-19 Wage Subsidy Scheme*, dated 27 November 2020;
10. *REP/20/11/1047 - Joint Report: Welfare Overhaul - Review of Working for Families - Options for Change*, dated 30 November 2020;
11. *REP/20/11/1157 - Aide memoire - Potential discussion: Managing the onshore migrant workforce*, dated 30 November 2020;
12. *REP/20/11/1047 - Welfare Overhaul - Review of Working for Families tax credits - Options for Change*, dated 30 November 2020;
13. *REP/20/11/1125 - Long-term Insights Briefings*, dated 1 December 2020;
14. *REP/20/11/1123 - Wage Subsidy Scheme: quarterly update on our on-going approach to audits and integrity*, dated 2 December 2020;
15. *REP/20/11/1073 - Rent Arrears Assistance: Update on COVID-19 demand and request for an extension until 30 June 2021*, dated 4 December 2020;
16. *REP/20/12/1190 - Detailed settings for the COVID-19 Wage Subsidy Scheme*, dated 4 December 2020;
17. *REP/20/11/1145 - Disability Support Systems Transformation: Machinery of Government Scope and Options*, dated 7 December 2020;
18. *REP/20/12/1193 - Aide memoire - Ministerial meeting: Enhancing support for displaced workers and other people who lose their jobs*, dated 8 December 2020;
19. *REP/20/12/1209 - Reforming financial assistance and support for caregivers: scope and direction of system reform*, dated 11 December 2020;
20. *REP/20/12/1219 - Aide memoire - Economic response to future resurgences of COVID-19*, dated 11 December 2020;

21. *REP/20/11/1154 - Joint Ministers' Report: 2020 Half Year Economic and Fiscal update of Benefit Forecasts for Vote Social Development*, dated 11 December 2020;
22. *REP/20/12/1246 - COVID-19 Resurgence planning arrangements for foreign nationals requiring support with accommodation*, dated 17 December 2020;
23. *REP/21/2/069 - Establishing a Transitional Assistance Payment for those affected by the abatement threshold increases on 1 April 2021*, dated 4 February 2021;
24. *REP/21/2/047 - Wage Subsidy Scheme: quarterly update on our on-going approach to audits and integrity*, dated 10 February 2021;
25. *REP/21/2/106 - Aide memoire - Maximising uptake of COVID-19 vaccines*, dated 15 February 2021;
26. *REP/21/2/117 - Aide memoire - Implementation of the COVID-19 Wage Subsidy February 2021 Scheme*, dated 17 February 2021;
27. *REP/21/2/116 - Approval for Temporary Visa Holders to continue to access Emergency Benefits*, dated 17 February 2021;
28. *REP/21/2/081 - Update on Families Package Monitoring and Evaluation*, dated 18 February 2021;
29. *REP/21/2/140 - Key information and talking points on Disability Support System Transformation*, dated 22 February 2021; and
30. *REP/21/2/154 - Ending or extending the COVID-19 New Zealanders Stranded Overseas Support Programme*, dated 25 February 2021.

On 23 June 2021, the Ministry advised that we had received your request, however required more time to respond to this request. In accordance with section 15(1) and 15A of the Act, you were advised the Ministry's decision will be with you no later than 21 July 2021. The reason for the extension was that your request is for a large quantity of information and it would take longer than the 20 working day time-limit to collate and assess the material you have requested for release.

On 21 July 2021, the Ministry advised you that we had decided to grant your request in part, however, it will take some time to prepare this information for release, and that the information will be sent to you by 15 September 2021.

I apologise for the delay in responding to your request.

The following 25 documents have been enclosed:

1. *REP/20/10/1037 - Budget 2021 - Initial View*, dated 6 November 2020;
2. *Results of analysis for Maori and Pacific People who were declined COVID-Income Relief Payment*, dated 6 November 2020;
4. *REP/20/11/1044 - Cabinet paper - Support for foreign nationals from 1 December 2020*, dated 6 November 2020;
5. *REP/20/11/1072 - Quarterly update on benefit use and Household Labour Force Survey (HLFS) key results - September 2020*, dated 11 November 2020;
9. *REP/20/11/1146 - Future of the COVID-19 Wage Subsidy Scheme*, dated 27 November 2020;
10. *REP/20/11/1047 - Joint Report: Welfare Overhaul - Review of Working for Families - Options for Change*, dated 30 November 2020;
11. *REP/20/11/1157 - Aide memoire - Potential discussion: Managing the onshore migrant workforce*, dated 30 November 2020;
13. *REP/20/11/1125 - Long-term Insights Briefings*, dated 1 December 2020;

14. REP/20/11/1123 - *Wage Subsidy Scheme: quarterly update on our on-going approach to audits and integrity*, dated 2 December 2020;
15. REP/20/11/1073 - *Rent Arrears Assistance: Update on COVID-19 demand and request for an extension until 30 June 2021*, dated 4 December 2020;
16. REP/20/12/1190 - *Detailed settings for the COVID-19 Wage Subsidy Scheme*, dated 4 December 2020;
17. REP/20/11/1145 - *Disability Support Systems Transformation: Machinery of Government Scope and Options*, dated 7 December 2020;
18. REP/20/12/1193 - *Aide memoire - Ministerial meeting: Enhancing support for displaced workers and other people who lose their jobs*, dated 8 December 2020;
19. REP/20/12/1209 - *Reforming financial assistance and support for caregivers: scope and direction of system reform*, dated 11 December 2020;
20. REP/20/12/1219 - *Aide memoire - Economic response to future resurgences of COVID-19*, dated 11 December 2020;
21. REP/20/11/1154 - *Joint Ministers' Report: 2020 Half Year Economic and Fiscal update of Benefit Forecasts for Vote Social Development*, dated 11 December 2020;
22. REP/20/12/1246 - *COVID-19 Resurgence planning arrangements for foreign nationals requiring support with accommodation*, dated 17 December 2020;
23. REP/21/2/069 - *Establishing a Transitional Assistance Payment for those affected by the abatement threshold increases on 1 April 2021*, dated 4 February 2021;
24. REP/21/2/047 - *Wage Subsidy Scheme: quarterly update on our on-going approach to audits and integrity*, dated 10 February 2021;
25. REP/21/2/106 - *Aide memoire - Maximising uptake of COVID-19 vaccines*, dated 15 February 2021;
26. REP/21/2/117 - *Aide memoire - Implementation of the COVID-19 Wage Subsidy February 2021 Scheme*, dated 17 February 2021;
27. REP/21/2/116 - *Approval for Temporary Visa Holders to continue to access Emergency Benefits*, dated 17 February 2021;
28. REP/21/2/081 - *Update on Families Package Monitoring and Evaluation*, dated 18 February 2021;
29. REP/21/2/140 - *Key information and talking points on Disability Support System Transformation*, dated 22 February 2021; and
30. REP/21/2/154 - *Ending or extending the COVID-19 New Zealanders Stranded Overseas Support Programme*, dated 25 February 2021.

Please note that reports 10 and 12 are duplicated in the list above (REP/20/11/1047).

The document *Briefing on Welfare System and Income Support*, is refused under section 18(d) of the Act on the basis that the information requested is publicly available. It can be accessed at the following link:

www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/official-information-responses/2021/may/20210511-request-a-copy-of-the-proposed-approach-for-reviewing-obligation-and-sanctions-of-the-social-security-act-2018-and-relevant-regulations-and-the-briefing-on-the-welfare.pdf.

The document REP/20/11/1045 - *Implementing the manifesto commitment to increase abatement thresholds* is refused under section 18(d) of the Act on the basis

that the information requested is publicly available. It can be accessed at the following link:

www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/official-information-responses/2021/march/30032021-request-a-copy-of-any-advice-analysis-or-recommendations-provided-to-any-minister-on-how-recent-changes-to-abatement-thresholds-and-benefits-will-impact-the-difference-i.pdf.

The document *REP/20/11/1104 - Approval for foreign nationals to access Emergency Benefit and operational settings* is refused under section 18(d) of the Act on the basis that the information requested is publicly available. It can be accessed at the following link:

www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/official-information-responses/2021/february/09022021-request-for-all-communications-provided-to-the-minister-and-government-around-temporary-financial-support.pdf.

The document *REP/20/11/1112 - Additional funding required to pay Working for Families tax credits to foreign nationals receiving Emergency Benefit* is refused under section 18(d) of the Act on the basis that the information requested is publicly available. It can be accessed at the following link:

www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/official-information-responses/2021/february/09022021-request-for-all-communications-provided-to-the-minister-and-government-around-temporary-financial-support.pdf.

Please note that some information within the documents provided is withheld under the Act.

Some information within the documents is withheld under section 9(2)(f)(iv) of the Act. The release of this information is likely to prejudice the ability of government to consider advice and the wider public interest of effective government would not be served.

Some information is withheld under section 9(2)(j) of the Act, as the release of the information is likely to impact on negotiations.

Some information is withheld under section 9(2)(ba) of the Act as it is subject to an obligation of confidence, and if released, could prejudice the supply of similar information in the future. The greater public interest is in ensuring that such information can continue to be supplied.

You will also note that some information has been withheld under section 9(2)(k) of the Act, in order to prevent the disclosure or use of official information for improper gain or improper advantage. This is because information released under the Act may end up in the public domain, for example, on websites including the Ministry's own website.

Some information is withheld under section 9(2)(h) of the Act in order to maintain legal professional privilege. The greater public interest is in ensuring that government agencies can continue to obtain confidential legal advice.

The information regarding some individuals are withheld under section 9(2)(a) of the Act in order to protect the privacy of natural persons. The need to protect the privacy of these individuals outweighs any public interest in this information.

As you have confirmed that you are not interested in staff names, these have been removed and marked as 'outside scope'.

Further, please note the following information regarding some of the documents released.

The information contained in *REP/20/10/1037 - Budget 2021 - Initial View* is correct as at the time the report was written, however, does not necessarily represent the final funding amounts or decisions.

To supplement the information contained in *Briefing on Welfare System and Income Support*, dated 6 November 2020, you may be interested to read the November 2019 Welfare overhaul Cabinet paper, which can be accessed at the following link: www.msd.govt.nz/about-msd-and-our-work/publications-resources/information-releases/welfare-overhaul-update-on-progress-and-long-term-plan.html.

The final version of the Cabinet paper discussed in *REP/20/11/1044 - Cabinet paper - Support for foreign nationals from 1 December 2020* can be accessed at the following link:

www.msd.govt.nz/about-msd-and-our-work/publications-resources/information-releases/cabinet-papers/2021/support-for-foreign-nationals.html.

The document *REP/20/11/1157 - Aide memoire - Potential discussion: Managing the onshore migrant workforce* refers to several issues that were followed up before the introduction of the new visa settings. In summary, the Ministry, in partnership with the Ministry of Business, Innovation and Employment (MBIE), undertook the following assessments:

1. Review of the impact of median wage rise on the Ministry's Skills Match Reports

The document states that a review would be undertaken before implementation of the changes in March 2021. Although there was no formal Ministry/MBIE review before the implementation of the median wage increase, there were discussions at an operational level. MBIE reviews the median wage every year, and this sets the payment thresholds for Essential Skills Work visas. This occurred early in 2021 and involved consultation with the Ministry. These discussions contributed to the decision to delay the median wage increase until July 2021. However, this was primarily driven by the need to manage the economic impact of COVID-19.

2. Potential displacement of New Zealanders in the job market

Although the risk that New Zealanders could be displaced for jobs by the median wage increase for Essential Skills (ES) work visas was noted in the ministerial briefing, it is difficult to quantify this risk as there is limited data available. However, the Ministry's work brokerage service and its active engagement with employers ensures that, where possible, New Zealanders are not displaced from the job market.

3. Additional Labour Market Tests

Additional Labour market tests were not introduced.

However, Ministers agreed with recommendations put forward by the Ministry and MBIE to strengthen labour market testing for all roles paid below the median wage. Ahead of the introduction of the Accredited Employer Work Visa system, the Ministry revised its Skills Match Report which is used for testing labour market capacity and ensuring New Zealand jobseekers are given priority. The revised Skills Match Report went live on 19 July 2021.

Updating the Skills Match Report ahead of the wider reforms next year provides employers with an opportunity to adapt to the new format.

You may be interested to know that since *REP/20/11/1125 - Long-term Insights Briefings* was written in December 2020, there have been a few updates:

- The Government Response to Report of the Standing Orders Committee on Review of Standing Orders 2020 was presented to the House of Representatives on 25 February 2021. Please see the response at the following link:
www.parliament.nz/en/pb/sc/reports/document/SCR_99753/review-of-standing-orders-2020.
- As indicated in the Government Response to the Report of the Standing Orders Committee (see paragraph 8 of the Government Response), the Department of the Prime Minister and Cabinet (DPMC) Guidance recommends that, where possible, Chief Executives should produce the first briefing in time for it to be presented to Parliament by 30 June 2022.
- DPMC is continuing to provide support to help Chief Executives develop Long Term Insights Briefings (LTIB). For example, to assist with co-ordination, DPMC have convened a reference group of Chief Executives. DPMC has also published guidance material relating to LTIBs at the following link:
www.dPMC.govt.nz/our-programmes/policy-project/long-term-insights-briefings.
- Employment, Education and Training (EET) Chief Executives are providing oversight of a joint Long-term Insights Briefing being developed by the Ministry of Social Development, Ministry of Education, Ministry of Business, Innovation and Employment, and Ministry for Women on the topic of youth at risk of limited employment outcomes. They undertook public consultation to confirm this subject matter in July and August. A draft Briefing will be taken to public consultation in early 2022.

In regard to the document *REP/20/12/1219 - Aide memoire - Economic response to future resurgences of COVID-19*, dated 11 December 2020, the statement that there is no "blanket rule" covering the interaction with Insurance (p.4) requires clarification.

The declaration requires that applicants for the wage subsidy agree to repay the subsidy or any part of the subsidy if they:

receive insurance such as business interruption insurance for any costs covered by the subsidy.

Repayment is only triggered if the insurance payment meets costs covered by the wage subsidy. Further, there is a statement made in Appendix 1 (page 6) about the need for consistency between IR and RSP definitions of 'revenue'. While this statement was true at the time of writing, the situation is no longer current. Policy work has continued, and definitions have since been largely harmonised. However, there are still slight differences between the definition of revenue for the RSP and the Wage Subsidy for pre-revenue firms.

The principles and purposes of the Official Information Act 1982 under which you made your request are:

- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter and any attached documents available to the wider public. The Ministry will do this by publishing this letter and attachments on our website. Your personal details will be deleted, and the Ministry will not publish any information that would identify you as the person who requested the information.

If you wish to discuss this response with us, please feel free to contact OIA_Requests@msd.govt.nz.

If you are not satisfied with this response, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Ngā mihi nui



Magnus O'Neill
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