



Meeting of the COVID-19 Ministerial Group

Minute of Decision

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Impact of COVID-19 on the Ministry of Social Development's Operating Model

The group of Ministers with Power to Act on COVID-19 matters [CAB-20-MIN 0130] convened on 26 March 2020 at 10.30am and, in accordance with their Power to Act:

- 1 **noted** that the unprecedented social and economic impact of COVID-19 requires the Ministry of Social Development (MSD) to make urgent changes to its operating model in order to manage demand for services and ensure the health and safety of clients and staff;
- 2 **noted** that MSD will be implementing various initiatives temporarily to free up staff capacity and improve client experience immediately;
- 3 **noted** that the following temporary initiatives do not require legislative change and that MSD will be implementing them with effect from Monday 30 March 2020 for an initial period of six months:
 - 3.1 temporarily remove the requirement to provide subsequent work capacity medical certificates;
 - 3.2 defer Disability Allowance reviews for cost and medical eligibility;
 - 3.3 extend out the review period for Child Disability Allowance;
 - 3.4 defer review of health conditions for Supported Living Payment clients;
 - 3.5 defer Emergency Benefit expiries
 - 3.6 defer any Special Benefit expiries;
 - 3.7 modify application and verification requirements to streamline the process for new clients;
 - 3.8 defer other annual reviews of client circumstances;
 - 3.9 s9(2)(k)
- 4 **noted** that the current requirement to provide subsequent work capacity medical certificates for clients receiving Jobseeker Support on the grounds of a health condition, injury or disability (JS-HCD) at fixed intervals was set by Cabinet in 2010 [CAB Min (10)7/10];

5 **rescinded** the 2010 Cabinet decision which will allow MSD to temporarily remove the requirement to provide subsequent work capacity medical certificates for JS-HCD clients (paragraph 3.1 above);

Legislative changes

6 **noted** that MSD also proposes to temporarily:

6.1 defer all reapplications for Temporary Additional Support (TAS) for an initial period of six months

6.2 extend out all upcoming 52-week reapplication for Jobseeker Support clients and Sole Parent Support clients to 104 weeks

7 **noted** that these initiatives will require amendment to the Social Security Regulations 2018 and an Order in Council;

8 **agreed** to amend the Social Security Regulation 2018 and make an Order in Council to enable MSD to have discretion to temporarily exempt from expiry specified recipients of Temporary Additional Support, Jobseeker Support and Sole Parent Support in exceptional circumstances

9 **authorised** the submission to the Executive Council of the:

9.1 Epidemic Preparedness (Social Security Act 2018 – Temporary Additional Support) Immediate Modification Order 2020 [PCO 22840/2.0];

9.2 Social Security (COVID-19 – Temporary Additional Support and Expiry and Regrant of Benefits) Amendment Regulations 2020 [PCO 22833/2.0];

10 **noted** that a waiver of the 28-day rule is sought on the grounds that the Amendment Regulations and the Order only confer benefits on the people impacted, and the changes are made in response to an emergency (COVID-19);

11 **agreed** to a waiver of the 28-day rule so that the Amendment Regulations and the Order come into force on 30 March 2020;

Delaying the implementation of the Emergency Housing contribution payment

12 **noted** that Cabinet agreed to introduce a 25 percent of income contribution for clients receiving Emergency Housing Special Needs Grants if they have remained in emergency housing for more than seven nights (emergency housing contribution) [CAB-20-MIN-005];

13 **noted** that the emergency housing contribution is to commence from Monday 30 March 2020, and this has been publicly announced and communicated to clients;

14 **noted** that the Minister for Social Development has delayed the commencement of the new emergency housing contribution as delaying would free up MSD staff capacity to focus on COVID-19 related initiatives and minimise stress for clients in emergency housing or those seeking emergency housing as a result of COVID-19 impacts;

Emergency Benefit powers under the domestic epidemic management notice

- 15 **noted** that on Monday 23 March 2020, the Prime Minister issued a domestic epidemic management notice under section 8(1) of the Epidemic Preparedness Act 2006, taking effect from 25 March 2020;
- 16 **noted** that the domestic epidemic management notice enables MSD to pay Emergency Benefits to people who are not usually entitled (with the written approval of the Minister for Social Development), and to waive its statutory responsibility to inquire into every claim for a benefit;

17 s 9(2)(f)(iv)



Financial implications

- 21 **agreed** to increase spending to provide for costs associated with the policy decisions above with the following impacts on the operating balance and net core Crown debt:

	\$m - increase/(decrease)				
Vote Social Development Minister for Social Development	2019/20	2020/21	2021/22	2022/23	2023/24 & outyears
Operating Balance and Net Core Crown Debt Impact	19.787	87.352	-	-	-
Operating Balance Impact Only	-	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	1.686	6.618	-	-	-
Total	21.473	93.970	-	-	-

IN CONFIDENCE

- 22 **approved** the following change to appropriations to fund the changes to the operating model with a corresponding impact on the operating balance and net core Crown debt:

Vote Social Development	\$m - increase/(decrease)				2023/24 & outyears
	2019/20	2020/21	2021/22	2022/23	
Minister for Social Development Benefits or Related Expenses:					
Jobseeker Support and Emergency Benefit	13.763	48.979	-	-	-
Sole Parent Support	1.166	9.209	-	-	-
Supported Living Payment	0.003	0.003	-	-	-
Disability Assistance	0.731	1.829	-	-	-
Hardship Assistance	4.754	25.143	-	-	-
Minister of Housing					
Accommodation Assistance	1.056	8.807	-	-	-
Total Operating	21.473	93.970	-	-	-

- 23 **agreed** that the changes to appropriations for 2019/20 above be included in the 2019/20 Supplementary Estimates and that, in the interim the increase be met from Imprest Supply;
- 24 **agreed** that the expenses incurred above will be established outside Budget allowances, with a corresponding impact on the operating balance and net core Crown debt;
- 25 **noted** that the Minister for Social Development will report to Cabinet if further changes to MSD's operating model are necessary that require Cabinet approval, and in due course on the impact of the current decisions.

Michael Webster
Secretary of the Cabinet

Distributed on:

Rt Hon Jacinda Ardern (Chair)
Rt Hon Winston Peters
Hon Kelvin Davis
Hon Grant Robertson
Hon Chris Hipkins
Hon Carmel Sepuloni
Hon Dr David Clark
Hon James Shaw

Officials:

Office of the Prime Minister
Chief Executive, DPMC
Chief Executive, Ministry of Health
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