

Budget Sensitive

Chair

Cabinet

REMOVING INITIAL INCOME STAND-DOWNS

Proposal

- 1 This paper provides advice on the financial and operational implications of three options for removing the initial income stand-down period in response to the economic impacts of COVID-19. I am seeking agreement to one of the following three options:
 - Option 1 - remove the stand-down period on a general basis for 8 months
 - Option 2a – provide narrow discretion¹ to MSD for 8 months to waive the stand-down where a person is applying for a benefit directly because of COVID-19
 - Option 2b - provide broader discretion to MSD for 8 months to waive the stand-down where a person is applying for benefit directly and/or indirectly because of COVID-19.
- 2 I am also seeking agreement for the Amendment Regulations of the preferred option to be submitted to Executive Council.

Background

- 3 It is clear that COVID-19 will have a substantial and prolonged impact on the New Zealand economy. The most up-to-date data internationally suggests that the quarantine measures taken, especially in China, are very disruptive to global economic activity, through interconnected demand and supply chain impacts and financial system channels. A more severe outbreak of COVID-19 in New Zealand (or Australia) would lead to significantly lower economic growth longer-term.
- 4 The benefit system remains available for those requiring financial assistance during this period of uncertainty, but as more evidence becomes available on the impacts of COVID-19, certain changes to policy settings in the benefit system may need to be made to ensure it continues to support those in need.
- 5 At the Ad Hoc Cabinet committee on COVID-19 Response (CVD) meeting on 4 March 2020, I presented advice on the following three options for removing stand-downs to ensure that those who lose their job due to COVID-19 have faster access to assistance from the Ministry of Social Development (MSD):
 - Option one: removing the stand-down period permanently for everyone
 - Option two: removing the stand-down period temporarily for everyone

¹ For the purposes of this Cabinet paper, providing discretion means MSD will make a factual determination about whether a client is applying for a benefit because of the impacts of COVID-19.

- option three: removing the stand-down period for a defined group of people, a particular sector, and/or a particular region.

6 I was invited to provide further advice on options two and three to Cabinet on 9 March 2020, including financial and operational implications of the options [CVD-20-MIN-0003 refers].

7 Based on the discussions at CVD, I propose the following three options to remove stand-downs:

- Option 1 - remove the stand-down period on a general basis for 8 months
- Option 2a – provide narrow discretion to MSD for 8 months to waive the stand-down where a person is applying for a benefit directly because of COVID-19
- Option 2b - provide broader discretion to MSD for 8 months to waive the stand-down where a person is applying for a benefit directly and/or indirectly because of COVID-19.

An alternative implementation method for removing stand-downs has been developed

8 As noted in the earlier CVD paper, my officials have continued to refine the operational implications, possible timeframes and the costs of a temporary removal of the stand-down period. In this process, an alternative method of implementing a stand-down removal has been identified. This method involves using a waiver code that can manually stop people having a stand-down applied. With this method, stand-downs would still exist on MSD's systems, but frontline staff would input the waiver code for each eligible person, meaning they effectively would not have a stand-down applied.

9 This alternative method can be implemented significantly faster than a comprehensive removal of the stand-down period from all of MSD's IT systems, at about one to two weeks, compared to the two-three months it would take to fully remove stand-downs from MSD's IT systems. However, it comes with distinct risks. As this method relies on frontline staff to manually input the waiver code for each eligible client, there is a risk of human error. If the waiver code is not applied for any reason, MSD systems will default to applying a stand-down for a client. To mitigate this risk, MSD would have to ensure that effective guidelines and training were provided to frontline staff to ensure that this new waiver code was applied to all eligible clients. MSD would also monitor the use of this waiver code, and apply a corrective action if required.

10 The timeframes provided in this paper assume that this manual waiver code method will be used to implement all options. However, options 2a and b will require additional implementation steps (on top of introducing a new waiver code).

11 The estimated timeframes in this paper are significantly shorter than those provided in the previous CVD paper, where timeframes were based on removing stand-downs from MSD's systems completely.

Initial income stand-downs exist for those applying for main benefits

- 12 People applying for a main benefit² can have an initial income stand-down³ for one or two weeks before their benefit commences depending on their previous income and family circumstances. The stand-down starts on the date they become entitled to a benefit, unless an exemption applies. There is no main benefit payable during a stand-down period and the benefit commences on the day after the stand-down period ends. For example, a single person receiving an average income of up to \$1,164.20 per week prior to applying for the benefit will face an initial stand-down period of one week. If they earn \$1,164.21 or more and are eligible for main benefit they will receive a two-week stand-down. These thresholds change for different groups of people, for example couples with no children, couples with children, and sole parents.
- 13 Generally, other supplementary assistance such as Accommodation Supplement is also not paid during a stand-down and begins being paid along with the main benefit following a stand-down period.
- 14 MSD staff have discretion to not apply a stand-down when granting Emergency Benefit, which is available to those in hardship who are not eligible for any other main benefit.
- 15 Hardship assistance, such as Special Needs Grants, is still available to people during a stand-down period.
- 16 Approximately 130,000 stand-downs are applied annually – 97 percent of these are one-week stand-downs.
- 17 It is important to differentiate the initial income-stand down with the 13-week non-entitlement period. The 13-week non-entitlement period can occur where a person:
 - has become voluntarily unemployed without a good and sufficient reason
 - is applying for a benefit because they were dismissed by their employer for misconduct
 - has failed their obligations for a third time in the last 12 months of continuous benefit receipt (as a grade 3 sanction)
 - has refused an offer of suitable employment (if they have work obligations) without a good and sufficient reason.
- 18 For clarity, this paper does not seek to remove the 13-week non-entitlement period.

Option 1: Remove stand-downs on a general basis for eight months

- 19 Option 1 is to remove stand-downs for eight months for everyone who would otherwise be subject to a stand-down. This option can be implemented quickly and is easy to understand for both clients and MSD staff.

² Section 313 of the Social Security Act 2018 provides that work tested benefits, Youth Payment and Young Parent Payment, Sole Parent Support, Jobseeker on grounds of sickness, injury, or disability, or a Supported Living Payment are subject to a stand-down. The commencement date for Emergency Benefit and Emergency Maintenance Allowance is at the Chief Executive's discretion and is consistent with the main benefit that most closely fits their circumstances. Stand-downs cannot be imposed for Orphan's Benefit and Unsupported Child's Benefit.

³ There are existing exemptions from stand-downs, including when a person has entered a refuge following a relationship breakdown and when they have a recurring chronic illness.

- 20 As there is still a level of uncertainty of the economic outlook, it would be prudent to have a broad stand-down removal to ensure that all the intended people are covered by this initiative. As noted earlier in the paper, a more severe outbreak of COVID-19 in New Zealand (or Australia) would lead to significantly lower economic growth longer-term. Under these circumstances, the group of people affected by COVID-19 could become broad enough that they are not all covered by a targeted removal of stand-downs (options 2a and 2b).
- 21 For example, if an employee broke their leg in a time where the economy was 'normal', their employer may give them paid leave while they recovered. However, if there was a significant economic downturn related to COVID-19, the same employer may instead make the employee redundant, meaning the employee may then need to seek financial assistance from MSD.
- 22 I consider eight months an appropriate time period for a temporary removal of stand-downs. However, there continues to be a high degree of uncertainty in regard to the economic outlook both for New Zealand and globally. I will direct my officials to continue to monitor the situation and report back to me if there are indications that eight months is insufficient to effectively respond to the economic impacts of COVID-19.
- 23 In a similar vein, monitoring will also track whether having a stand-down removal in place is still appropriate – eg if the economic impacts of COVID-19 subside substantially, it may be prudent to review the necessity of the stand-down removal (ahead of the end point of the 8-month timeframe).

Operationalising option 1 is relatively simple

- 24 Option 1 is relatively simple to operationalise. MSD already has a process for using a waiver code for stand-downs, as we have existing exemptions for stand-downs (as noted in paragraph 12). If Option 1 was implemented, every client who applies for a main benefit that would have otherwise had a stand-down applied will have the new waiver code applied to them, thus preventing a stand-down period for the client. MSD considers that option 1 would have minimal impacts on frontline processing times and would not require significant retraining of staff on how this exemption should apply.
- 25 Implementing this option would take about two weeks, so could commence on 23 March 2020.

Financial implications

26 s 9(2)(f)(iv)

- 27 Due to the significant uncertainty around economic impacts of COVID-19, it is not possible to estimate the number of people who will come onto benefit as a result of job loss arising from it. I am recommending that this aspect of the funding is included in through subsequent demand-driven forecasting changes to the relevant Vote Social Development appropriations.

⁴ Based on MSD's ability to locate clients' stand-downs over the 2018/19 fiscal year (12 months of data was used); Scaled using the HYEFU 19 fiscal forecasts; No assumption made about extra grants onto benefit due to the COVID-19; Assumes that each month, the removal of stand downs claws back \$250,000 in nonrecoverable SNGs, and \$440,000 in recoverable SNGs

- 28 For every additional 1,000 people coming onto main benefit due to COVID-19 related economic impacts, this would cost around an additional \$0.3m. Not every job loss will result in someone coming onto main benefit, so this is per 1,000 new main benefit clients not per 1,000 jobs lost in the economy.
- 29 By way of analogy only, if economic impacts reflect those experienced during the Global Financial Crisis (GFC), this policy change could be expected to cost an additional \$14.437m (\$32.773m total for eight months).⁵
- 30 These costings account for only the additional expenditure through the stand-down period (i.e. the 'flows' onto main benefits). These costings do not reflect the additional longer-term costs for Vote Social Development related to people receiving main benefits (the potential increase in the 'stocks' of main benefits).

Option 2: provide discretion to MSD for 8 months to waive the stand-down where a person is applying for a benefit because of COVID-19

- 31 An alternative to removing stand-downs on a general basis would be targeting a temporary removal of stand-downs – for example, to a defined group of people, a particular sector, and/or a particular region.
- 32 I consider an appropriate way to target a stand-down removal would be to provide discretion to MSD for 8 months to waive the stand-down where a person is applying for a benefit because of COVID-19.
- 33 As with option 1, I consider eight months to be an appropriate time period for a temporary removal of stand-downs targeted towards those who are applying for a benefit due to COVID-19. However, there continues to be a high degree of uncertainty in regard to the economic outlook both for New Zealand and globally. I will direct my officials to continue to monitor the situation and report back to me if there are indications that eight months is insufficient to effectively respond to the economic impacts of COVID-19.
- 34 This option would take longer to implement than option 1, at about four weeks. Extra time is needed for this option to develop guidance for staff, provide training to staff and revise the client application process. Given the inherent complexity of the modern economy, there is also significant further work to be done to determine the most appropriate way for MSD to verify that someone is applying for a benefit due to COVID-19, taking into account the need to keep processes as simple as possible for our staff and clients.

There are significant issues with deciding whether someone is applying for a benefit due to COVID-19 or not

- 35 There would be considerable complexity involved in determining whether someone's job has been impacted by COVID-19 and should therefore have the stand-down waived. One approach could be to remove the stand-down for those who have lost their jobs as a direct result of COVID-19, but not for those whose jobs have been affected indirectly. However, it would be challenging to decide where the line should be drawn between direct and indirectly affected.

⁵ Largely based off same data as base scenario; MSD used the growth in Jobseeker grants that occurred during the GFC to increase the expected number of stand downs; This leads to an additional 4,000 – 14,000 Jobseeker grants per month; MSD assumed that this event would solely impact Jobseeker grants.

- 36 For example, someone working for a tour company catering exclusively to Chinese tourists could be said to have lost their job as a direct result of COVID-19 because of the decrease in tourists from China. That same decrease in tourism could mean that someone loses their job cleaning a motel, and frontline staff would need to decide whether that is a direct or indirect impact of COVID-19.
- 37 In practice the 'affected as a direct result of' test becomes harder to determine when the effects of COVID-19 flow through supply chains or trickle down to small businesses that rely on the trade that larger businesses attract. The more diluted the effect the more difficult it will be to determine if COVID-19 is the reason for job losses or significantly reduced hours. A direct effect can become indirect or unclear, which is the most difficult to gauge, but is no less relevant. In cases where there is a range of contributing factors rather than a single determinant it will be extremely difficult for staff to determine the reason a person has lost their job. Staff will need to make a decision based on the information available which will result in different decisions being made for people in similar circumstances.
- 38 Even if the waiver was available to both directly and indirectly affected people, there would still be difficulty in determining those indirectly affected versus those not affected at all by COVID-19.
- 39 Although guidance would be provided to frontline staff to assist their decision making, that guidance would not be able to cover every possible scenario, thus increasing the risk of inconsistent decision making. No matter how thorough any guidance provided to MSD staff is, the nature of discretion means that there will ultimately be a significant level of inconsistency across case managers in their determinations of who is and is not impacted by COVID-19, and to what degree.
- 40 Examples of possible client journeys if this targeted approach was implemented are in the appendix.
- 41 Due to this complexity, my officials have developed two sub-options for option 2 –
- Option 2a – provide narrow discretion to MSD for 8 months to waive the stand-down where a person is applying for a benefit directly because of COVID-19
 - Option 2b - provide broader discretion to MSD for 8 months to waive the stand-down where a person is applying for a benefit directly and/or indirectly because of COVID-19.

This complexity raises issues of what the most appropriate process for client verification is

- 42 In order to determine whether someone is or is not directly/indirectly impacted by COVID-19 (and therefore should not have a stand-down applied), MSD will need to have some level of evidence from a client. The simplest way to do this would be to take a client's self-declaration as sufficient evidence that they are applying for a benefit due to the impacts of COVID-19. However, this high trust approach comes with the significant risk of applied incorrectly.
- 43 Alternatively, MSD could require some form of verification to confirm that a client is applying for a benefit due to the impacts of COVID-19. This verification could be, for example, a letter from a client's former employer stating something to the effect that the client was made redundant due to the impacts that COVID-19 had on the business. Given the complexities of determining how directly COVID-19 has affected someone, there would likely be some cases which could take a significant amount of time to verify. This process could end up taking long enough that a client would experience additional delays in receiving their first benefit payment equivalent to, or even greater than, a stand-down period. This would negate the intended effect of removing stand-downs in the first place. MSD estimates that the verification process could add an additional five working days to the average wait time.

- 44 MSD estimates that the self-declaration option would take on average 15 minutes longer to process per application, while the verification required option would take on average 25 minutes longer per application to process.
- 45 If you agree to option 2a or 2b, MSD will continue to work on the most appropriate way to verify if a stand-down should be waived.
- 46 It should also be noted that as options 2 and b rely heavily on staff discretion, the likelihood of clients applying for a Review of Decision⁶ is likely to be increased. This could put additional pressure on frontline staff resource to resolve these cases.^{s 9(2)(h)}

Financial implications

- 47 As noted in option 1, there the significant uncertainty around economic impacts of COVID-19. It is not possible to estimate the number of people who will come onto benefit as a result of job loss arising from it. I am recommending that this aspect of the funding is included in subsequent demand-driven forecasting changes to the relevant Vote Social Development appropriations.
- 48 Marginal cost for this change would be the same as with the previous option, around \$0.3m per 1,000 additional eligible applicants. Once again, by way of analogy only, if economic impacts reflect those experienced during the GFC this policy change could be expected to cost \$14.437m over eight months⁷.
- 49 Operational impacts of this option would require allocating additional staff resourcing to undertake. Funding may therefore be required in the medium term to mitigate further impact to other core frontline activities. Though it is difficult to predict the magnitude of this impact due to the uncertainty inherent in the situation, I think it is prudent to consider what this effect may be. This is particularly the case due to the time it can take for additional funding for resourcing to translate to additional trained staff.
- 50 MSD's staffing requirements to deal with COVID-19 are being considered through the Economic pillar of the Government's response to COVID-19. My officials will consider the impacts of this policy decision when making recommendations and seeking any additional funding through that process.

Amendment Regulations to give effect to the chosen option to remove stand-downs

- 51 Three sets of Amendment Regulations, one for each option, are provided alongside this paper. I seek agreement for the Amendment Regulations of the preferred option to be submitted to Executive Council.

⁶ A client can apply for a Review of Decision when they have received formal notification of, and do not agree with, a decision that MSD has made, including the decision to apply or not apply a stand-down period.

⁷ Largely based off same data as base scenario; We used the growth in Jobseeker grants that occurred during the GFC to increase the expected number of stand downs; This leads to an additional 4,000 – 14,000 Jobseeker grants per month; We assumed that this event would solely impact Jobseeker grants.

- 52 MSD's 28-day rule applies in specific circumstances in which a client's commencement date can be a date earlier than the application date. If this application is not received within 28 days, the commencement date cannot be backdated.
- 53 The 28-day rule applies in specific circumstances in which a client's commencement date can be a date earlier than the application date. If this application is not received within 28 days, the commencement date cannot be backdated.
- 54 For example, clients who apply for Jobseeker Support, the following circumstances should have the 28-day rule applied:
- clients who have a health condition, injury or disability
 - sole parents
 - clients who have lost the financial support of their partner due to:
 - death
 - separation
 - ending of a de facto relationship or
 - imprisonment.
- 55 This 28-day rule can only apply for clients who have a stand-down period. If the stand-down period is exempted, MSD cannot use the 28-day rule unless it is otherwise provided for.
- 56 To ensure clients are not disadvantaged by exempting the stand-down periods, we want to continue to apply the 28-day rule, if a person applies within 28 days after becoming eligible. Without the the 28-day rule in the Regulations, clients would be disadvantaged more than if the stand-down period remained. To do this, we have included this rule in all three versions of the Amendment Regulations.

Timing and 28-day notice period for legislation

- 57 The Amendment Regulations, if approved, will be submitted to the Executive Council for consideration on 9 March 2020. They will be published in the New Zealand Gazette on the next available date for gazetting and will come into force on 23 March 2020. I seek a waiver to the 28-day rule on the grounds that the changes in these Amendment Regulations only confer benefits to the public.

Compliance

- 58 The Orders and Amendment Regulations comply, where applicable, with the following:
- the principles of the Treaty of Waitangi;
 - the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993;
 - the principles and guidelines set out in the Privacy Act 1993;
 - relevant international standards and obligations; and
 - *Legislation Guidelines: 2018 Edition*, published by the Legislation Advisory Committee.

Regulations Review Committee

- 59 There are no grounds for the Regulations Review Committee to draw the Amendment Regulations to the attention of the House under Standing Order 319.

Certification by Parliamentary Counsel

- 60 The Amendment Regulations have been certified by the Parliamentary Counsel Office as being in order for submission to Cabinet.

Impact analysis

- 61 Statement from Treasury:

No impact analysis has been provided for this proposal due to the short time frame imposed by the response to Covid-19. As long as this is a temporary measure Treasury considers that impacts of the change are likely minor and therefore a Regulatory Impact Analysis (RIA) is not required at this stage.

Treasury recommends that the removal of income support stand downs is limited to a predefined period (current proposal is for 8 months). Treasury also recommends that the ongoing monitoring of the costs and benefits of this change is part of the implementation of this proposal. Should there be a need to extend the application of this measure beyond the specified period, any extension should be preceded by the standard decision-making process that includes a RIA covering fiscal implications as well as impacts on the labour market.

Financial implications

Option 1: remove initial income stand-downs temporarily for 8 months

- 62 This paper seeks funding for a total of \$18.336m for Option 1 (remove initial income stand-downs temporarily for 8 months):

62.1 This paper seeks net \$6.678m for Benefits or Related Expenses (breakdown below) in 2019/20 from the between budget contingency established as part of Budget 2019

62.2 This paper seeks net \$11.658m for Benefits or Related Expenses (breakdown below) in 2020/21 from the between budget contingency established as part of Budget 2019.

- 63 This paper seeks agreement that the Benefit or Related Expenses costs owing to recipients affected by COVID-19 will be updated in line with benefit forecasts at BEFU, with the full cost of the policy reflected as a policy change (rather than a forecasting adjustment), with the additional cost charged as a pre-commitment against Budget 2021.

Options 2a and 2b: provide discretion to MSD for 8 months to waive the stand-down where a person is applying for a benefit because of COVID-19

- 64 Although this paper is not seeking any specific funding amounts for Options 2a or 2b, these options are expected to have Benefit or Related Expenses costs once implemented. The cost of this is expected to be in line with the COVID-19 specific costs for Option 1 – i.e. the number of people who will come onto benefit as a result of job loss arising from COVID-19, and the associated costs of these policy changes, are expected to be consistent across all options.

65 This paper seeks agreement that Benefit or Related Expenses costs for Options 2a or 2b, owing to recipients affected by COVID-19, will be updated in line with benefit forecasts at BEFU, with the full cost of the policy reflected as a policy change (rather than a forecasting adjustment), with the additional cost charged as a pre-commitment against Budget 2021.

Consultation

66 The Department of the Prime Minister and Cabinet, the Treasury and the Ministry of Business, Innovation and Employment have been informed.

Proactive release

67 This Cabinet paper will be proactively released, with redactions made consistent with the Official Information Act.

Recommendations

It is recommended that Cabinet:

- 1 **note** that it is clear that COVID-19 will have a substantial and prolonged impact on the New Zealand economy
- 2 **note** that at the Ad Hoc Cabinet Committee on COVID-19 Response meeting on 4 March 2020, the Minister for Social Development was invited to provide further advice on the following options to remove stand-downs in response to the economic impacts of COVID-19:
 - removing the stand-down period on a general basis for eight months;
 - removing initial income stand-downs for a defined period for those affected by the economic impacts of COVID-19 [CVD-20-MIN-0003 refers]
- 3 **note** that based on the discussions at the Ad Hoc Cabinet Committee on COVID-19 Response meeting on 4 March 2020, the following three options to remove stand-downs are proposed:
 - Option 1 - remove the stand-down period on a general basis for 8 months
 - Option 2a – provide narrow discretion to MSD for 8 months to waive the stand-down where a person is applying for a benefit directly because of COVID-19
 - Option 2b - provide broader discretion to MSD for 8 months to waive the stand-down where a person is applying for a benefit directly and/or indirectly because of COVID-19.
- 4 **agree** to:
 - EITHER**
 - option 1 – remove initial income stand-downs temporarily for 8 months
 - OR**
 - option 2a – provide narrow discretion to MSD for 8 months to waive the stand-down where a person is applying for a benefit directly because of COVID-19

OR

option 2b – provide broader discretion to MSD for 8 months to waive the stand-down where a person is applying for a benefit directly and/or indirectly because of COVID-19.

5 **note** that for all the options for removal, officials will monitor the impact of removing stand-downs, including within the context of the wider economic landscape

6 **subject to your decision in recommendation 4, authorise** the submission to the Executive Council of one of the following Amendment Regulations:

EITHER

Option 1

Social Security (Exemption from Stand Down—Coronavirus Covid-19) Amendment Regulations 2020 v3

OR

Option 2a

Social Security (Exemption from Stand Down—Coronavirus Covid-19) Amendment Regulations 2020 v2

OR

Option 2b

Social Security (Exemption from Stand Down—Coronavirus Covid-19) Amendment Regulations 2020 v1

7 **agree** to a waiver of the 28-day rule on the grounds that the changes in the Amendment Regulations only confer benefits to the public

8 **agree** that costs will be updated in line with benefit forecasts at BEFU, with the full cost of the policy reflected as a policy change (rather than a forecasting adjustment), with the additional cost charged as a pre-commitment against Budget 2021.

9 **subject to your decision in recommendation 4, agree**

EITHER

Option 1

10 **agree** to increase spending to provide for costs associated with the policy decision to remove initial income stand-downs temporarily for 8 months, with the following impacts on the operating balance and net core Crown debt:

	\$m – increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance and Net Core Crown Debt Impact	8.004	13.866	-	-	-
Operating Balance Impact Only	-	-	-	-	-
Net Core Crown Debt Impact Only	(1.325)	(2.209)	-	-	-
No Impact	0.846	1.462	-	-	-
Total	7.525	13.119	-	-	-

- 11 **approve** the following changes to appropriations to give effect to the policy decision in recommendation 4:

	\$m – increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Vote Social Development Minister for Social Development					
Benefits or Related Expenses:					
Disability Assistance	0.032	0.054	-	-	-
Hardship Assistance	(0.498)	(0.814)	-	-	-
Jobseeker Support and Emergency Benefit	5.886	10.216	-	-	-
Sole Parent Support	1.408	2.384	-	-	-
Supported Living Payment	0.284	0.479	-	-	-
Winter Energy Payment	-	-	-	-	-
Youth Payment and Young Parent payment	0.083	0.149	-	-	-
Non-departmental Capital Expenditure Expenses:					
Recoverable Assistance	(1.325)	(2.209)	-	-	-
Minister of Housing					
Accommodation Assistance	1.655	2.860	-	-	-
Total Operating	8.850	15.328	-	-	-
Total Capital	(1.325)	(2.209)	-	-	-

- 12 **agree** that the proposed changes to appropriations for 2019/20 above be included in the 2019/20 Supplementary Estimates and that, in the interim, the increases be met from imprest Supply
- 13 **agree** that the operating balance and net core Crown debt impact in recommendation 8 above of expenses incurred under recommendation 9 above be charged against the between budget contingency established as part of Budget 2019.
- 14 **note** relevant portfolio joint Ministers and the Minister of Finance will approve subsequent forecasting changes to Benefit or Related Expenses and Non-departmental capital expenditure as a result of the economic impact of the COVID-19 outbreak.

OR

Option 2a/b

- 15 **note** that although a specific funding amount is not being sought for Options 2a or 2b, there are expected to be Benefit or Related Expenses funding implications and the cost of this is expected to be in line with the COVID-19 specific costs for Option 1 – i.e. the number of people who will come onto benefit as a result of job loss arising from COVID-19, and the associated costs of these policy changes, are expected to be consistent across all options.

Authorised for lodgement

Hon Carmel Sepuloni
Minister for Social Development

Proactively Released