

Office of the Minister for Social Development and Employment

Chair

Cabinet Social Wellbeing Committee

EXTENDING SUPPORT FOR TEMPORARY VISA HOLDERS IN NEW ZEALAND

Proposal

- 1 This paper seeks Cabinet agreement to fund an extension of the provision of Emergency Benefits for temporary visa holders in hardship in New Zealand for a further six months to 31 August 2021.
- 2 This proposal will require reissuing written approval to the Ministry of Social Development under section 64 of the Social Security Act 2018 in my role as Minister for Social Development and Employment.

Relation to government priorities

- 3 This proposal relates to the Government's ongoing COVID-19 response.

Executive Summary

- 4 At the beginning of the COVID-19 outbreak in New Zealand, some temporary visa holders became stranded in New Zealand and were experiencing hardship due to the impacts of COVID-19. In response to this, Cabinet agreed that the Department of Internal Affairs establish the *Assistance for Foreign Nationals Impacted by COVID-19 Programme* (the Programme) [CAB-20-MIN-0283 refers]. The Programme ran in collaboration with the New Zealand Red Cross from 1 July 2020 to 30 November 2020, supporting 12,794 temporary visa holders through the provision of in-kind assistance.
- 5 As some temporary visa holders remained stranded in New Zealand and in hardship at the end of the Programme (with COVID-19 still limiting flight options), Cabinet agreed to fund a proposal to provide Emergency Benefits to temporary visa holders under section 64 of the Social Security Act 2018 (the Act) from 1 December 2020 to 28 February 2021 [CAB-20-MIN-0476 refers].
- 6 As at 24 January 2021, the Ministry of Social Development (MSD) has supported a total of 249 temporary visa holders through the provision of Emergency Benefits at a total cost of approximately \$0.41 million (\$0.37 million in Emergency Benefit -related expenditure and \$0.04 million for applicable tax credits. Most Emergency Benefit recipients are waiting for their flight to depart New Zealand or they cannot return home (approximately 85 percent of total grants).
- 7 Take-up of Emergency Benefits has been much lower than expected. A range of factors may have contributed to this, such as a lower level of need than initially anticipated, different contexts around Alert Levels and the relatively low level of support that the Emergency Benefit provides (particularly compared to the greater range of costs covered through the Programme).
- 8 COVID-19 is still causing some limitations in returning to certain countries, particularly parts of the Pacific, India (where commercial flights remain largely

suspended) and some African nations. As at 6 January 2021, 257,000 temporary visa holders remain in New Zealand.

- 9 Data and analysis of those currently receiving Emergency Benefits show that come 28 February 2021 (when the provision of Emergency Benefits is due to end), there will still be a group of temporary visa holders who are in hardship and who cannot return home, or are waiting for flights to return home.
- 10 Therefore, I propose extending the provision of Emergency Benefits for a further six months until 31 August 2021 to ensure that support can continue to be provided to temporary visa holders who are in hardship and who cannot go home, are waiting for their flight to return home or are in other complex situations. This extension would mean that eligible people may also receive the applicable rate of Family Tax Credit, Best Start Tax Credit and the Winter Energy Payment (from 1 May 2021), as these payments are tied to the receipt of the Emergency Benefit.
- 11 A six-month extension will ensure support is still temporary while allowing enough time to assess the on-going COVID-19 situation and identify more sustainable and suitable longer-term solutions for this cohort if required. s 9(2)(f)(iv) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- 12 The proposed extension has a total fiscal cost of \$2.56 million. However, funding is only required for the part of the extension that falls within the 2021/22 financial year (July–August 2021), estimated to cost \$0.98 million. Given the significant underspend from the initial provision of Emergency Benefits which will be returned to the Crown at the end of the 2020/21 financial year, the fiscal impacts for the Crown would be negligible overall.
- 13 Subject to Cabinet agreement, I will provide written approval under section 64 of the Act for MSD to continue to grant Emergency Benefits to temporary visa holders in hardship between 1 March 2021 and 31 August 2021.

Background

The COVID-19 pandemic left some temporary visa holders stranded and in hardship in New Zealand

- 14 At the beginning of the COVID-19 outbreak in New Zealand, there were some 381,000 temporary visa holders in New Zealand. Due to the impacts of COVID-19, some of these temporary visa holders became stranded in New Zealand, with some experiencing hardship.
- 15 In response to this, on 15 June 2020, Cabinet agreed that the Department of Internal Affairs (DIA) establish the *Assistance for Foreign Nationals Impacted by COVID-19 Programme* (the Programme), under which non-governmental organisations would be contracted to provide in-kind assistance to temporary visa holders experiencing hardship due to COVID-19 [CAB-20-MIN-0283 refers].¹

¹ For the provision of the Programme, hardship meant that people were unable to meet their reasonable day-to-day costs with their income, savings, and support from family and/or friends (however, they could have retained sufficient funds for flights and other costs associated with returning to their home country).

I N C O N F I D E N C E

- 16 The Programme was established on 1 July 2020 as a joint initiative between DIA and the New Zealand Red Cross. Cabinet originally agreed that the Programme run for a period of up to three months. On 7 September 2020, Cabinet agreed to extend the Programme by two months, to 30 November 2020 [CAB-20-MIN-0436 refers]. The Programme provided limited in-kind assistance to 12,794 temporary visa holders in hardship in New Zealand with a total spend of \$26.5 million between 1 July 2020 and 30 November 2020.

Cabinet agreed to extend temporary welfare support for temporary visa holders in hardship

- 17 As some temporary visa holders remained stranded in New Zealand and in hardship at the end of the Programme, Cabinet agreed to fund the provision of Emergency Benefits² to temporary visa holders through section 64 of the Social Security Act 2018 (the Act) from 1 December 2020 to 28 February 2021 [CAB-20-MIN-0476 refers].
- 18 Temporary visa holders are generally not eligible for financial assistance under the Act as section 19 of the Act states that a person is not entitled to receive a benefit if they are lawfully resident or present in New Zealand only by virtue of holding a temporary entry class visa. However, section 64 of the Act allows MSD to pay the Emergency Benefit to any person, regardless of residency status, if there is an epidemic management notice in effect and if I provide written approval for this.
- 19 Following a legislative change on 25 March 2020, temporary visa holders who are eligible for the Emergency Benefit under section 64 of the Act may also receive the applicable rate of Family Tax Credit and Best Start Tax Credit.

Since 1 December 2020, 249 temporary visa holders have been supported through the provision of Emergency Benefits

- 20 As at 24 January 2021, MSD has received 448 applications and has granted a total of 249 temporary visa holders the Emergency Benefit, at a total cost of approximately \$0.41 million (\$0.37 in Emergency Benefit-related expenditure and \$0.04 million for applicable tax credits). Those who have been granted Emergency Benefit may also be receiving the applicable rates of Family Tax Credit and Best Start Tax Credit where eligible.
- 21 Take-up of Emergency Benefits has been much lower than expected, with initial estimations assuming 5,800 applicants. A range of factors may have contributed to take-up being lower than anticipated, such as there being a lower level of need than initially anticipated, different contexts around Alert Levels and the relatively low level of support that the Emergency Benefit provides. For example, the Emergency Benefit provides only the analogous rate of main benefit (and any applicable rates of Family Tax Credit and Best Start Tax Credit), compared to the greater range of costs covered through the Programme such as accommodation and medical costs. Improvements in seasonal work opportunities in the summer months may also be a contributing factor.³

² The Emergency Benefit is paid at the rate of the analogous main benefit, for example Jobseeker Support.

³ Recognised Seasonal Employer workers accounted for almost 50 percent of applicants under the Programme.

IN CONFIDENCE

- 22 Data from Emergency Benefit applications shows that:
- 22.1 201 temporary visa holders are currently receiving the Emergency Benefit, 48 have received payments that have since stopped⁴ and a further 24 have registered to receive the Emergency Benefit
 - 22.2 32 people have received tax credits for approximately 44 children (with total spend on Family Tax Credit estimated at \$34,000 and Best Start Tax Credit at \$5,000⁵)
 - 22.3 175 people have had their applications declined, largely due to the reason that they were able to return to their home countries but wished to remain in New Zealand to complete study, find work, or gain permanent residency
 - 22.4 those on visitor visas (meaning they are unable to work on their visa type) make up approximately 47 percent of grants, with those on work visas making up 25 percent
 - 22.5 most are waiting for their flight to depart New Zealand or they cannot return home (approximately 85 percent), with a small number of people in other situations. MSD can confirm that 25 people who have previously received Emergency Benefits have since departed New Zealand.
- 23 The composition of those receiving the Emergency Benefit is diverse. Most recipients appear to be from Tonga, India and China.⁶ Apart from China (which has direct and regular commercial flights), the other most common locations of temporary visa holders' home countries reflect indirect flight pathways that may not always be feasible and/or have limited flight availability and capacity. The table on the next page provides further detail on Emergency Benefit grants by the most common home countries of temporary visa holders.⁷

⁴ Payments may have stopped or expired due to a change in circumstances, e.g. the person has since departed New Zealand.

⁵ Total spend on the Family Tax Credit and Best Start Tax Credit has been estimated. While data is available for clients who receive tax credits through MSD, there are several clients who receive these payments from Inland Revenue. Data-matching limitations prevent the specific rates for these individuals being known, and therefore prevents the calculation of total actual spend.

⁶ While data collected accurately provides the home country of recipients in most cases, there are limitations to the data, such as some people having dual citizenship and data pending updates.

⁷ These figures are approximate only. This data is based on total grants from 1 December 2020 to 11 February 2020 and therefore total numbers differ from other figures presented in this paper. As this table represents total grants, some may have since expired or been suspended and are therefore no longer being paid. The 'suppressed/other countries' section represents countries that cannot be reported on at an individual level due to low numbers and are therefore suppressed to protect the privacy of individuals.

Home country	Number of grants
Argentina	10
Chile	11
China	17
India	33
Philippines	7
Samoa	8
Sri Lanka	9
Tonga	37
United Kingdom	9
United States of America	7
Suppressed / Other Countries	110

- 24 The current support for temporary visa holders provided through the Emergency Benefit is scheduled to end on 28 February 2021. However, from the data and analysis of those currently receiving Emergency Benefits, it is clear that, come 28 February 2021, there will still be a group of temporary visa holders who are in hardship and who cannot return home, or are waiting for flights to return home (among other complex situations).

Support for temporary visa holders to return to their home countries

- 25 MSD currently provides eligible temporary visa holders with Emergency Benefit payments (and payments of Family Tax Credit and Best Start Tax Credit, where applicable) and is not directly involved in assisting people home, other than ensuring that people are aware of and have sought assistance from their foreign mission or consulate, and are referred to Immigration New Zealand (INZ) for use of the repatriation fund where appropriate.
- 26 While MSD does not hold specific details about the cost of flights being a barrier for these temporary visa holders, it can be assumed that cost is a barrier for some people as the provision of Emergency Benefit is based on being in hardship and meeting the equivalent income and cash asset test. However, the cash asset limit of Emergency Benefit is \$4,300 for single people and \$7,464 if the client has a partner or children, and therefore allows for a reasonable amount of assets to be held so that these can be used to purchase flights home (but this is dependent on departing flights operating and people having the funds to purchase flights). Additionally, a number of people have been referred by MSD to the INZ repatriation fund on the basis that they have insufficient funds to meet the costs of flights home.
- 27 INZ has been assisting with the costs of repatriation for people who are in hardship and need to return to their home country through the repatriation fund. There has been relatively low take-up of this fund to date and this could be due to a range of factors. For example, INZ's ability to assist with repatriation is constrained in some instances by, for example, prioritisation of places on flights by foreign governments as well as border and transit restrictions (similar to the reasons temporary visa

holders cannot get home). Some temporary visa holders, particularly those that are accessing Emergency Benefit in greater numbers, are from countries where flights, quarantine, transit and border requirements are constrained.



- 28 The Ministry of Foreign Affairs and Trade (MFAT) continues to encourage foreign missions to provide consular assistance to their nationals in New Zealand and assist missions with their repatriation efforts where relevant. MFAT will continue to encourage them to prioritise support for those in need. In general, an individual's own government (via their foreign mission) is their primary means for support, just as New Zealand citizens abroad can seek consular assistance from New Zealand's missions overseas.

I propose extending welfare support for temporary visa holders in hardship for a further six months

I propose extending Emergency Benefit for temporary visa holders due to the limitations that COVID-19 is still causing for some people to return home...

- 29 The three-month timeframe of the current support was put in place to reinforce the temporary nature of support, allow for the changing COVID-19 situation to be considered and reduce integrity risks for MSD. However, the three-month timeframe has meant that this Cabinet paper could not be considered earlier. Due to the recent initiation of the support, earlier advice would have been based on very limited data and information regarding the uptake of support and characteristics of clients. Additionally, as flight and border restrictions continue to change rapidly, the most recent information on the international travel landscape is important to decisions regarding this advice.
- 30 COVID-19 is still causing some limitations in returning to certain countries, particularly parts of the Pacific, India (where commercial flights remain largely suspended) and some African nations. While 124,000 temporary visa holders have departed New Zealand since the pandemic began, as at 6 January 2021, there are still 257,000 temporary work, student and visitor visa holders in New Zealand.
- 31 Should the provision of Emergency Benefit end on 28 February 2021, officials estimate that there would be approximately 200 people in situations where they are unable to return home or are waiting to return home (or are in other complex situations) who would have no form of government support and may be pushed further into hardship.
- 32 Extending Emergency Benefits would ensure that financial support can continue to be provided to temporary visa holders who are in hardship while trying to return home or otherwise support themselves (for example through employment). It will also ensure temporary visa holders are not further hindered from returning home due to financial barriers, for example not requiring them to use cash assets to support themselves that could be used for travel costs to return home.
- 33 Extending support would also ensure that support is already in place if there were to be a change in Alert Levels in New Zealand. If Alert Levels were to change, the situation for temporary visa holders could change rapidly, leading to potential job losses, reduced income and the reduction of flight options out of New Zealand particularly to the Pacific (as occurred during the Auckland outbreak in late 2020).
- 34 No changes to the groups of temporary visa holders that are eligible for Emergency Benefit or the settings of the payment are proposed.

... And that this extension be for six months until 31 August 2021

- 35 I considered different time periods to extend Emergency Benefits for temporary visa holders, of three, six and 12 months. On balance, the six-month extension offered benefits including:
- 35.1 Officials will be able to monitor demand and the need for Emergency Benefit in order to consider more suitable long-term solutions for this cohort.
 - 35.2 The temporary nature of the extension means that if demand subsides (for example if more flight routes open, border restrictions ease and global vaccine strategies begin), the need for support will naturally end as people are able to return home.
 - 35.3 An extension allows for the changing COVID-19 situation to be considered further, as it is unlikely a shorter extension would allow enough time for the complexities of individuals' situations to be resolved.
- 36 The three-month extension was discounted as evidence suggests that it is unlikely that many of the situations that temporary visa holders are in would be resolved in a three-month timeframe. The 12-month extension does not reinforce the temporary nature of support and represents a time period in which the impacts of COVID-19 may have changed in some significant ways. Integrity risks for MSD would also be increased over a 12-month timeframe, and so this option was also discounted.
- 37 Extending the provision of the Emergency Benefit for a further six months (meaning nine months of total support) reflects that this support is temporary but acknowledges that the need for support remains given the ongoing nature of the COVID-19 pandemic. A six-month extension provides more certainty and stability for people than the three-month option provides, while also providing time to understand how long people are requiring support for and what is required to support these people to return home.
- 38 In addition, the extension of support aligns with the Labour Party 2020 Manifesto commitment to our Pacific neighbourhood, given a large proportion of those receiving Emergency Benefits are from the Pacific Islands and flight availability/frequency ^s  _{s 6(a)}  ^{9 2)}
- 39 A six-month extension will mean that those receiving Emergency Benefit from 1 May 2021 will also receive the Winter Energy Payment (WEP). Entitlement to the WEP is based on the receipt of a qualifying benefit, which includes the Emergency Benefit.⁸
- 40 While support would be available for another six months, this does not automatically mean that temporary visa holders will receive the Emergency Benefit for the whole time period. The current policy and operational processes around granting the Emergency Benefit will continue⁹, meaning Emergency Benefit payments are only made for as long as a person continues to meet the eligibility criteria.¹⁰ Including this

⁸ The rate of WEP is \$20.46 per week for single people and \$31.82 per week for couples and sole parents.

⁹ The current provision of Emergency Benefit requires that temporary visa holders are holding a valid temporary visa (excluding sponsored visas) and are not otherwise eligible for support under the Act, are in hardship as assessed by the income and asset tests in the Act, have taken reasonable steps to otherwise support themselves or return home and meet all other criteria for Emergency Benefit under section 63 of the Act.

¹⁰ For example, if a person has a flight leaving New Zealand three weeks after they apply, the Emergency Benefit would only be granted for three weeks.

extension, the maximum amount of time someone could be granted the Emergency Benefit is nine months.

MSD will continue to work with Emergency Benefit applicants closely

- 41 MSD has been working closely with applicants to ensure that the Emergency Benefit is only granted to those who are in hardship and are in situations where they cannot return home, are making plans to return home or are in other complex circumstances.¹¹
- 42 One potential risk of extending the provision of Emergency Benefits is that there may be an incentive for people to remain in New Zealand, when they may be able to return home. This is why it is important that MSD continue to assess eligibility for the Emergency Benefit on a case-by-case basis to assess whether temporary visa holders are taking reasonable steps to support themselves (for example through employment or by returning home) before being granted government support.
- 43 In most circumstances, if a temporary visa holder did not take an available option to return home as a means of addressing their hardship needs, MSD declining Emergency Benefit would be reasonable. However, MSD case managers must still exercise discretion and take into account all circumstances in order to make this decision.

New arrivals to New Zealand on temporary visas are not expected to receive Emergency Benefit

- 44 Measures have been taken to ensure that any new migrants to New Zealand will not require welfare support. While borders are closed to the majority of incoming migrants to New Zealand, some border exceptions have been made, such as for some international students and seasonal workers.¹² There are policies in place to ensure that these people are able to support themselves for the duration of their stay in New Zealand and therefore, those here under border exceptions should not be in need of the Emergency Benefit.
- 45 For example, international students will be required to have \$20,000 in funds to support themselves (and are therefore ineligible for the Emergency Benefit due to the cash asset limit). For seasonal workers arriving under border exceptions, their countries must agree to have plans in place to take back their workers as well as other Recognised Seasonal Employer (RSE) workers already here when the 2020/21 season ends.

s 9(2)(f)(iv)

- 46 Immigration New Zealand (INZ) has been assisting with the costs of repatriation for migrants who are in hardship and need to return to their home country. This funding has been available to migrants who have been assessed by MSD as eligible for the Emergency Benefit through the current initiative [CAB-20-MIN-0476 refers]. In line with the proposed extension to the provision of Emergency Benefits to temporary visa holders, I seek Cabinet agreement for this fund to continue to be made available

¹¹ Thematic analysis of those granted Emergency Benefit between 1 December 2020 and 14 January 2021 shows that the majority of grants are for those unable to return home (44 percent) and those waiting for a flight to leave New Zealand (41 percent).

¹² For example, the recent announcement that 1,000 international students would be allowed to arrive in New Zealand from April 2021 through a border exception, subject to certain criteria.

to assist with the costs of repatriation. s 9(2)(f)(iv) [redacted]
[redacted]
[redacted]

47 MSD and INZ are continuing to monitor the situation regarding the cohort of temporary visa holders in hardship in New Zealand. s 9(2)(f)(iv) [redacted]
[redacted]
[redacted]
[redacted]

48 MFAT has worked with MSD to ensure that Emergency Benefit applicants are directed to their own foreign missions, who may be able to provide consular assistance and are responsible for repatriation flights,¹³ before receiving Emergency Benefit support.¹⁴ s 6(a) and s 9(2)(f)(iv) [redacted]
[redacted]
[redacted]
[redacted]

49 MFAT will continue to play a facilitative role in support of temporary visa holders' welfare in New Zealand. This includes continuing to share travel insights and information on flight viability with MSD and liaising with foreign missions in New Zealand to encourage them to provide consular assistance to their nationals. To date, privacy constraints have limited information sharing from MSD to MFAT.

50 s 9(2)(f)(iv) [redacted]
[redacted]
[redacted]
[redacted]
[redacted]

Implementation

- 51 A decision is needed to fund the provision of Emergency Benefit for temporary visa holders for a further six-months on 17 February 2021. This will give MSD sufficient time to complete the IT, operational and communications work required to continue granting Emergency Benefits to eligible temporary visa holders from 1 March 2021.
- 52 Following Cabinet agreement to fund the proposed extension, MSD will proactively engage with those temporary visa holders currently receiving Emergency Benefit with upcoming expiries to assess changes in circumstances, verification and ongoing eligibility.

¹³ Most foreign missions no longer offer repatriation flights on the basis that commercial or charter options exist to most locations, s 6(a) [redacted]

¹⁴ MFAT does not provide consular assistance or run repatriation flights for foreign citizens in New Zealand, this is the responsibility of foreign Government and their missions (as New Zealand supports its citizens abroad in a similar manner).

Financial Implications

- 53 Based on revised data and take-up to date, the overall estimated cost of extending the provision of Emergency Benefit for temporary visa holders for six months is approximately \$2.57 million.¹⁵
- 54 As \$16 million was funded for the current provision of Emergency Benefits and only \$0.41 million has been spent to date, there is an underspend of approximately \$15.59 million based on current data. This underspend means that funding is not required for the part of the six-month extension that falls within the 2020/2021 financial year (March–June 2021), expected to cost \$1.57 million.
- 55 However, the six-month extension will require funding for the extension that falls within the 2021/22 financial year (July–August 2021), estimated to cost \$0.98 million. This is because the remaining underspend at the end of the 2020/2021 financial year will be returned to the Crown and reflected in the next Budget forecasts, due to the nature of the appropriation.
- 56 Therefore, I seek funding of \$0.98 million from the COVID-19 Response and Recovery Fund, established as part of Budget 2020, to fund the extension that falls within the 2021/22 financial year. However, due to the relatively large underspend that would be returned and accounted for at the end of the 2020/21 financial year and the relatively small amount of new funding sought for the 2021/22 financial year, the fiscal impacts for the Crown would be negligible overall.

Legislative Implications

- 57 The epidemic management notice that enables the provision of Emergency Benefits has already been issued and has been extended until 23 February 2021 (it is intended for this notice to continue to roll over). As this notice is in force, I will provide written approval under section 64(2) of the Act for MSD to continue to grant Emergency Benefits to temporary visa holders in hardship between 1 March 2021 and 31 August 2021.

Regulatory Impact Statement

- 58 The Treasury has determined that the regulatory proposal in this paper is exempt from the requirement to provide a Regulatory Impact Statement (RIS) because it is intended to alleviate the short-term impacts of a declared emergency event of COVID-19 outbreak. This proposal is required urgently to be effective, making a complete, robust and timely impact analysis unfeasible. The proposal extends an existing scheme with payments continuing for six months up to and including 31 August 2021.

¹⁵ Costs have been revised down from previous estimates based on MSD data from the current initiative. Since 1 December 2020 and the implementation of Emergency Benefit for temporary visa holders, New Zealand's COVID-19 status has remained relatively stable and any significant changes to this may impact this costing (the costing assumes no change to lockdown or border controls in New Zealand). External factors can also impact this costing e.g. changes to border control measures in foreign countries and flight availability.

Climate Implications of Policy Assessment

59 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements do not apply to this proposal as the threshold for significance is not met.

Population Implications

60 The extended provision of the Emergency Benefit supports temporary visa holders stranded in New Zealand. Those from the countries of Tonga, India and China make up over one third of current recipients (36 percent).

61 There are no immediate gender or disability implications resulting from this paper.

Human Rights

62 s 9(2)(h) [Redacted]

63 s 9(2)(h) [Redacted]

Consultation

64 This paper has been prepared by MSD in consultation with the Ministry of Education, Ministry of Foreign Affairs and Trade, Ministry of Business, Innovation and Employment, Immigration New Zealand, Department of Internal Affairs, Ministry for Pacific Peoples and the Treasury. The Department of Prime Minister and Cabinet has been informed of this proposal.

65 MSD and relevant agencies will prepare communications and publicity material in consultation with Offices, subject to Cabinet agreement to extend the provision of Emergency Benefit to temporary visa holders for a further six months to 31 August 2021.

Communications

66 MSD and relevant agencies will prepare communications and publicity material in consultation with Offices, subject to Cabinet agreement, to extend provision of the Emergency Benefit to temporary visa holders for a further six months to 31 August 2021.

Proactive Release

67 MSD will proactively release this paper in accordance with Cabinet guidelines [CO (18) 4]. Any redactions made will be consistent with the Official Information Act 1982.

Recommendations

The Minister for Social Development and Employment recommends that the Committee:

- 1 **note** that due to the impacts of COVID-19 some temporary visa holders became stranded and are in hardship in New Zealand
- 2 **note** in response to this, on 15 June 2020, Cabinet agreed that the Department of Internal Affairs establish a temporary *Assistance for Foreign Nationals Impacted by COVID-19 Programme* (the Programme) [CAB-20-MIN-0283 refers] which supported 12,794 temporary visa holders with in-kind assistance from 1 July 2020 to 30 November 2020
- 3 **note** at the end of the Programme, Cabinet agreed to fund the provision of Emergency Benefits to temporary visa holders under section 64 of the Social Security Act 2018 (the Act) from 1 December 2020 to 28 February 2021 [CAB-20-MIN-0476 refers]
- 4 **note** that between 1 December 2020 and 24 January 2021, the Ministry of Social Development supported 249 temporary visa holders through the provision of Emergency Benefits at a total cost of approximately \$0.41 million (\$0.37 million in Emergency Benefit-related expenditure and \$0.04 million for applicable tax credits)
- 5 **note** that COVID-19 is still causing some limitations in returning to certain countries and as at 6 January 2021, 257,000 temporary visa holders remain in New Zealand
- 6 **note** that analysis of current Emergency Benefit recipients shows that if support were to end on 28 February 2021, there will still be a group of temporary visa holders who are in hardship and who cannot return home, or are waiting for flights to return home
- 7 **agree** that the Ministry of Social Development continue to provide Emergency Benefits under section 64 of the Act to support temporary visa holders who are in hardship in New Zealand for a further six-months from 1 March 2021 to 31 August 2021
- 8 **note** that eligibility for the Emergency Benefit under section 64 of the Act also extends eligibility to the Family Tax Credit, Best Start Tax Credit and Winter Energy Payment as applicable
- 9 **note** that the Emergency Benefit is paid at the rate of the analogous main benefit and is subject to all usual benefit rules and settings including income and cash asset tests and abatement regimes under the Social Security Act 2018
- 10 **note** if Cabinet agrees to recommendation 7, the Minister for Social Development and Employment will reissue written approval to the Ministry of Social Development under section 64 of the Act to allow the continued provision of Emergency Benefits to temporary visa holders in hardship in New Zealand
- 11 **note** Cabinet had previously approved funding for Immigration New Zealand's Integrity and Security of the New Zealand Immigration System appropriation to be used to assist with the costs of repatriation for those assessed as eligible for the Emergency Benefit [CAB-20-MIN-0476 refers]

IN CONFIDENCE

12 **agree** that the remaining funding from Immigration New Zealand’s Integrity and Security of the New Zealand Immigration System appropriation continue to assist with the costs of repatriation for those assessed as eligible for the Emergency Benefit

13 s 9(2)(f)(iv) [Redacted]
[Redacted]
[Redacted]
[Redacted]

14 **note** the overall estimated cost of the six-month extension to Emergency Benefit for temporary visa holders is approximately \$2.557 million, of which \$1.573 million in expenditure in 2020/21 financial year can be funded by the underspend from the initial provision of Emergency Benefit, however the part of the extension that falls within the 2021/22 financial year (July–August 2021) requires funding of approximately \$0.984 million

15 **agree** to increase spending to provide for the costs associated with the policy decision agreed in recommendation 7 above, with the following impact on the operating balance and net core Crown debt:

Vote Social Development	\$m – increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance and Net Core Crown Debt Impact	-	0.841	-	-	-
Net Core Crown Debt Only Impact	-	-	-	-	-
No impact (tax revenue on benefit)	-	0.106	-	-	-
Sub Total	-	0.947	-	-	-
Vote Revenue					
Operating Balance and Net Core Crown Debt Impact	-	0.036	-	-	-
Net Core Crown Debt Only Impact	-	-	-	-	-
No impact	-	-	-	-	-
Sub Total	-	0.036	-	-	-
Total	-	0.984	-	-	-

IN CONFIDENCE

- 16 **approve** the following changes to appropriations to give effect to the policy decision agreed in recommendation 7 above:

Vote Social Development Minister for Social Development and Employment	\$m – increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Benefits or Related Expenses:					
Jobseeker Support and Emergency Benefit	-	0.885	-	-	-
Winter Energy Payment	-	0.062	-	-	-
Vote Revenue Minister of Revenue Benefits or Related Expenses:					
Best Start Tax Credit PLA	-	0.006			
Family Tax Credit PLA	-	0.030			
Total Operating	-	0.984	-	-	-

- 17 **agree** that the operating balance and net core Crown debt impact in recommendation 15 above of expenses incurred under recommendation 16 above be charged against the COVID-19 Response and Recovery Fund established as part of Budget 2020
- 18 **approve** delegated authority for the Minister for Social Development and Employment to make minor and technical policy, design and implementation decisions regarding the Emergency Benefit for temporary visa holders.

Authorised for lodgement

Hon Carmel Sepuloni

Minister for Social Development and Employment