



# Cabinet

## Minute of Decision

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### Care in the Community: Welfare Response to Omicron

**Portfolio**                      **Social Development and Employment**

On 14 February 2022, Cabinet:

1        **noted** that on 22 November 2021, Cabinet [CAB-21-MIN-0493]:

1.1        **agreed** to establish a tagged operating contingency of up to the amounts as follows in Vote Social Development, to provide for a revised approach to welfare and community-based supports:

	\$m – increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & outyears
For food and other essential wellbeing items – Tagged Operating Contingency	52.000				

1.2        **authorised** the Minister for Social Development and Employment and the Minister of Finance jointly to draw down the tagged operating contingency funding subject to a report to Ministers:

1.2.1        outlining how funding has been allocated to meet costs to support the transition to the COVID-19 Protection Framework;

1.2.2        outlining any update to the underpinning costing model and assumptions for additional funding that relates to this transition;

2        **agreed** that the tagged operating contingency be released;

3        **agreed** the Ministry of Social Development will provide, as soon as possible, information to the Minister of Finance and Minister for Social Development and Employment about variance spending to date and how underspends are used to meet future demand;

4 **approved** the following changes to appropriations to provide for the decision in paragraph 2 above, with a corresponding impact on the operating balance and net core Crown debt:

Vote Social Development Minister for Social Development and Employment	\$m – increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
<b>Multi-category Expenses and Capital Expenditure</b>					
Community Support Services MCA					
<b>Non-Departmental Output Expense:</b>					
Community Support and Advice	24.800	-	-	-	-
<b>Non-Departmental Other Expense:</b>					
Community Response to Adverse or Emergency Events	27.200	-	-	-	-
<b>Total Operating</b>	<b>52.000</b>	-	-	-	-

5 **agreed** that the proposed changes to appropriations for 2021/22 above be included in the 2021/22 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;

6 **agreed** that the expenses incurred under paragraph 4 above be charged against the “For food and other essential wellbeing items – Tagged Operating Contingency” described in paragraph 1 above;

7 **noted** this leaves a nil balance in the “For food and other essential wellbeing items – Tagged Operating Contingency”;

8 **agreed** to allocate funding of \$31.5 million for an additional 197 Community Connectors until June 2023, in anticipation of moving to phase 2;

9 **approved** the following changes to appropriations to give effect to the policy decision in paragraph 8 above, with a corresponding impact on the operating balance and net core Crown debt:

Vote Social Development Minister for Social Development and Employment	\$m – increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
<b>Multi-category Expenses and Capital Expenditure</b>					
Community Support Services MCA					
<b>Non-Departmental Output Expense:</b>					
Community Support and Advice	8.000	23.500	-	-	-
<b>Total Operating</b>	<b>8.000</b>	<b>23.500</b>	-	-	-

10 **agreed** that the proposed changes to appropriations for 2021/22 in paragraph 9 be included in the 2021/22 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;

- 11 **agreed** that the expenses incurred above be charged against the COVID-19 Response and Recovery Fund (CRRF) established as part of Budget 2020;
- 12 **noted** that the welfare response under the Delta variant was previously estimated to be \$350.5 million to June 2023 and of this estimated cost \$152.1 million was appropriated and \$52.0 million in held in tagged contingency [CAB-21-MIN-0493 refers];
- 13 **noted** that the appropriated \$152.1 million is anticipated to be exhausted under an Omicron response as soon as late February and the remaining \$52.0 million held in tagged contingency has been sought for immediate release, but would likely be exhausted under an Omicron response under phase 1 and 2 by mid-March;
- 14 **noted** that additional funding will be required to sufficiently scale the whole of system welfare approach in anticipation of the move to phase 2, as outlined in the submission *Care in the Community: Welfare Response to Omicron* [CAB-22-SUB-0028];
- 15 **referred** the remaining elements of the submission *Care in the Community: Welfare Response to Omicron* [CAB-22-SUB-0028] to the Cabinet Social Wellbeing Committee (SWC) for consideration at its meeting on 16 February 2022;
- 16 **invited** the Minister for Social Development and Employment to submit an updated paper to SWC;
- 17 **authorised** SWC to have Power to Act at its meeting on 16 February 2022 to take decisions on the submission.

Michael Webster  
Secretary of the Cabinet