



**MINISTRY OF SOCIAL
DEVELOPMENT**

TE MANATŪ WHAKAHIATO ORA

11 DEC 2020

Tēnā koe

On 19 October 2020, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following reports:

- *REP/20/5/462 Aide mémoire - Temporary Income Relief for people who have lost their job due to COVID-19, dated 1 May 2020*
- *REP/20/4/456 Budget 20 - Proposed implementation plans for the social sector cost pressure initiatives, dated 1 May 2020*
- *REP/20/5/481 Key policy decisions on Temporary Income Relief for people who have lost their job due to COVID-19, dated 5 May 2020*
- *REP/20/5/495 COVID-19 Income Relief Payment Operational Details, dated 7 May 2020*
- *REP/20/5/494 Report back on the COVID-19 emergency welfare response transition, dated 8 May 2020*
- *REP/20/5/561 Budget 20 cost pressure and COVID-19 recovery funding implementation plan, dated 21 May 2020*
- *REP/20/5/513 Mitigating the social impacts of COVID-19, dated 12 May 2020*
- *REP/20/5/558 Treatment of redundancy payments-update, dated 27 May 2020*
- *REP/20/5/581 COVID-19 Income Relief Payment Programme - final for approval, dated 29 May 2020*
- *MSD COVID-19 SitRep 49-59, dated 30 April 2020 - 4 June 2020*

Your request for 3 of the documents is refused under section 18(d) of the Act on the basis that the information requested is already publicly available. These documents are listed below, accompanied by links to where they can be found.

The document *REP/20/5/481 Key policy decisions on Temporary Income Relief for people who have lost their job due to COVID-19, dated 5 May 2020*, is available at: www.covid19.govt.nz/assets/resources/proactive-release-2020-june/Report-Key-policy-decisions-on-temporary-income-relief-for-people-who-....pdf.

The document *REP/20/5/495 COVID-19 Income Relief Payment Operational Details, dated 7 May 2020*, is available at: www.covid19.govt.nz/assets/resources/proactive-release-2020-july/ISM-1-Report-COVID-19-Income-Relief-Payment-Operational-Details-7-May-2020....pdf.

The document *REP/20/5/581 COVID-19 Income Relief Payment Programme - final for approval, dated 29 May 2020*, is available at: www.covid19.govt.nz/assets/resources/proactive-release-2020-july/ISM2-Report-COVID-19-Income-Relief-Payment-Programme-final-for-approval-....pdf.

Please find the following documents attached:

- *REP/20/5/462 Aide mémoire - Temporary Income Relief for people who have lost their job due to COVID-19, dated 1 May 2020*

Page 1 of 3

- REP/20/4/456 *Budget 20 - proposed implementation plans for the social sector cost pressure initiatives*, dated 1 May 2020
- REP/20/5/494 *Report back on the COVID-19 emergency welfare response transition*, dated 8 May 2020
- REP/20/5/561 *Budget 20 cost pressure and COVID-19 recovery funding implementation plan*, dated 21 May 2020
- REP/20/5/513 *Mitigating the social impacts of COVID-19*, dated 12 May 2020
- REP/20/5/558 *Treatment of redundancy payments-update*, dated 27 May 2020
- MSD COVID-19 SitRep 49-59, dated 30 April 2020 – 4 June 2020

Please note that the document REP/20/5/494 *Report back on the COVID-19 emergency welfare response transition* was renamed '*Transitioning out of COVID-19 response to centrally-enabled, regionally-led models for recovery*'.

Further, you will find two documents labelled as *Sitrep 50* due to *Sitrep 51* being mislabelled as *Sitrep 50*.

Please also note that on page 2 of *Sitrep 50*, the number of new wage subsidies is incorrectly listed as 922 instead of 2,958.

Some information is withheld under section 9(2)(f)(iv) of the Act as it is under active consideration. 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.

You will note that the names of 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.

You will also note that some contact details have been withheld under section 9(2)(k) of the Act in order to reduce the possibility of staff being exposed to phishing and other scams. 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.

You may also be interested to see the Cabinet paper *Mitigating the social impacts of COVID-19* and Cabinet minutes associated with REP/20/5/513 *Mitigating the social impacts of COVID-19*, these are available at:

www.covid19.govt.nz/assets/resources/proactive-release-2020-july/ISM5-Paper-and-minute-Mitigating-the-social-impacts-of-COVID19-17-Jun-20.pdf.

Further, the associated aide mémoire is available at:

www.covid19.govt.nz/assets/resources/proactive-release-2020-july/ISM10-Aide-memoire-Mitigating-the-Social-Impacts-of-COVID-19-11-Jun-20.pdf.

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 the Ministry of Social Development's 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 regarding the COVID-19 reports you have requested, 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

A handwritten signature in black ink, appearing to read 'Jenner', with a large circular flourish at the beginning.

Vivienne Jenner
Policy Manager
Social Development Child and Youth Policy

Aide-mémoire

Cabinet Oral item

Date: 1 May 2020 **Security Level:** Cabinet Sensitive

For: Hon Grant Robertson, Minister of Finance
Hon Carmel Sepuloni, Minister for Social Development

File Reference: REP/20/5/462, T2020/1299

Temporary income relief for people who have lost their job due to COVID-19

Date of meeting Monday 4 May 2020

Proposal

This Cabinet Oral item will seek delegated authority for the Deputy Prime Minister, Minister of Finance and Minister for Social Development to make decisions on a temporary income relief payment for people who have experienced a loss of work due to the economic impact of COVID-19.

Talking points

Changes to the proposal since it was considered at the Social Wellbeing Committee (SWC)

- There have been several changes to the proposal since it went to SWC on 29 April. In summary, these changes:
 - make it clearer that the payment is temporary, and that the intention of the payment is to soften the shock from unemployment and minimise disruption for affected people as they seek employment and/or adjust financial circumstances
 - seek a decision on whether people on unpaid leave (so-called 'furloughed' workers) are eligible for the temporary payment
 - place a greater focus on employment and what obligations there will be for people receiving the payment; and
 - include a family income limit (recommended option is \$150,000 partner earnings per year), reflecting that people with higher incomes are more likely to have resources to draw-on, including savings but recognising that people who

have relatively high incomes may still have trouble reducing their costs if someone in the relationship has lost a job, particularly if they have a large mortgage.

Delegating authority

- I propose that Cabinet delegate authority to the Deputy Prime Minister, the Minister of Finance and the Minister for Social Development to decisions on the temporary income relief payment.

Note the recommendation to be tabled is attached as Appendix One.

Implementation timeframes

- There are updates to the implementation timeframes for this payment. The payment can only be delivered by 9 June if decisions are made on Monday 4 May and the decisions are not substantially different to the current proposed settings.
- Substantial differences would include changes that will have significant operational impacts such as more conditionality on the receipt of the payment or significant changes to eligibility.
- Otherwise it will take at least 6 weeks to implement from the date of decisions. For example, if decisions are made on Friday 8 May the payment could be delivered on Monday 22 June.

Financial Implications

- This payment will cost \$797.791 million, with the following breakdown:
 - the direct cost of the temporary income relief payment is \$1.542 billion
 - this is offset by reduced spending on main benefits, supplementary and hardship assistance of \$761.085 million (including a reduction in tax revenue of \$81.599 million)
 - additional administration and evaluation costs of \$16.853 million.

Note further detail on the financial implications is provided in Appendix Two.

Details of the proposal

It is proposed a new temporary income relief payment would:

- provide short-term, and time-limited, support, to help soften the shock from unemployment and minimise disruption for people as they seek new employment
- be available to people who experienced a loss of work between 1 March and 31 December 2020
- be a non-taxable payment of \$490 per week for someone previously in full-time work (30 hours or more a week), and \$250 per week for someone previously in part-time work (between 15 hours and 29 hours a week)

- be paid weekly, for a period of up to 12 weeks
- be available as an alternative to the main benefit
- mean that recipients will continue to be eligible to receive supplementary assistance available through MSD, such as the Accommodation Supplement and hardship assistance (and the payment would be treated as income when assessing those payments)
- have the option of not being available to people with salary and wages from their partner over a certain point (if an income cap goes ahead, this will be decided by Ministers with delegated authority – officials recommend the cut-out point to be \$150,000 per year, with the alternative option being \$100,000 per year). MSD can only deliver an income test based on wage and salary income.
- would be paid on an individual basis and if both partners in a relationship lose their job and meet the other eligibility criteria, each of them would be eligible to receive the full rate of payment (i.e., up to a total of \$980 per couple per week); and
- not be available to those who receive large redundancy payments from their employer (over \$30,000) and/or those who are receiving private income protection insurance payments.

Further work is continuing to refine these settings.

Further detail is provided in Appendix Three for your information.

Further advice at the end of the year

Given the significant uncertainty around the severity and length of the economic impacts of COVID-19, officials recommend further advice on the temporary payment by the end of the year. We expect that the temporary payment will be one of many initiatives introduced to support New Zealanders and the economy over the next six months and this further advice will consider the temporary payment in this context.

Author: s 9(2)(a) OIA [REDACTED], Policy Analysts, Income Support Policy

Responsible manager: s 9(2)(a) OIA [REDACTED], Policy Manager, Income Support Policy

Appendix One: Recommendation to be tabled

delegate authority to the Deputy Prime Minister, Minister of Finance, and the Minister for Social Development to approve decisions on the payment, including the appropriation of funding and authority to approve drafting instructions being issued for any legislative implications

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OFFICIAL INFORMATION ACT

Appendix Two: Financial Implications of the Temporary Income Relief Payment

The fiscal cost of this proposal is very uncertain and will largely be driven by the prevailing economic conditions and other Government responses to COVID-19.

This payment will cost \$797.791 million, with the following breakdown:

- The direct cost of the temporary income relief payment is \$1.542 billion.
- This is offset by reduced spending on main benefits, supplementary and hardship assistance of \$761.085 million (including a reduction in tax revenue of \$81.599 million).
- Additional administration and evaluation costs of \$16.853 million.

Note that the figures in the table below are gross of tax (so do not include the reduction in tax revenue of \$81.599m so will not equal \$797.791m above).

Vote Social Development	\$m - increase/(decrease)				
	2019/ 20	2020/21	2021/ 22	2022/ 23	2023/24 & outyears
Minister for Social Development Benefits or Related Expense:					
Covid-19 Income Relief Assistance	121.285	1,420.738	-	-	-
Hardship Assistance	(0.078)	(0.907)	-	-	-
Jobseeker Support and Emergency Benefit	(54.388)	(648.804)	-	-	-
Sole Parent Support	(3.974)	(46.019)	-	-	-
Winter Energy Payment	(9.005)	(61.994)	-	-	-
Departmental Output Expenses:					
Data, Analytics and Evidence Services (funded by Revenue Crown)	-	0.250	-	-	-
Multi-Category Expenses and Capital Expenditure					
Improved Employment and Social Outcomes Support					
Departmental Output Expenses:					
Administering Income Support (funded by Revenue Crown)	4.078	12.525	-	-	-
Minister of Housing Benefits or Related Expenses:					
Accommodation Assistance	(1.357)	(16.158)	-	-	-
Total Operating	56.561	659.631	-	-	-

Appendix Three: Further information about the Temporary Income Relief Payment

With COVID-19, New Zealand faces a major threat to its economy and to the livelihoods of many New Zealanders. This Government has responded quickly, and undertaken unprecedented measures to protect jobs and incomes. However, further support is required for individuals and families to support them through this crisis. For example, it is expected that many people will face a sudden income drop. Some will struggle to meet essential costs, some may take on significant debt, and some will be unable to afford their housing costs. Existing policy settings assume that higher income families will respond to an income shock either by finding alternative employment, or by adjusting to their new financial circumstances by reducing their costs over time. However, these options are likely to be unrealistic in the current unprecedented economic circumstances.

The proposal is to introduce a new temporary income relief payment aimed at providing additional temporary assistance to those who experience a loss of work due to the economic impact of COVID-19. This is a similar approach to that which followed the Canterbury earthquakes and the Global Financial Crisis. The payment is intended to provide short-term, and time-limited, support, to help soften the shock from unemployment and minimise disruption for people as they seek new employment. The payment would be paid instead of a benefit and would reduce the negative impact of job losses on individuals and families, and provide people with more time to seek new employment and/or adjust to their financial circumstances. The scheme itself is a temporary measure, while we explore more permanent changes intended to better protect New Zealanders in the future. These could include examining arrangements like the social unemployment schemes that operate in most OECD countries. When designed well, these schemes can buffer the shock of layoffs and unemployment, prevent 'wage-scarring', and play an important role in automatically stabilizing an economy in a downturn.



**National Emergency
Management Agency**
Te Rākau Whakamāramaru

NCMC

New Zealand Government

COVID-19 OPERATIONS COMMAND CENTRE



**MINISTRY OF SOCIAL
DEVELOPMENT**
TE MANATŪ WHAKAHIAŌ ORA



**Te Tari Taiwhenua
Internal Affairs**

Report

Date: 8 May 2020

Security Level: IN CONFIDENCE

To: Hon Carmel Sepuloni, Minister for Social Development
Hon Peeni Henare, Minister of Civil Defence
Hon Nanaia Mahuta, Minister of Local Government

Transitioning out of COVID-19 response to centrally-enabled, regionally-led models for recovery

Purpose of the report

- 1 On 21 April 2020, the COVID-19 Ministerial group directed officials to report back with further advice on how welfare support for vulnerable communities will be transitioned from the immediate emergency response led by Civil Defence Emergency Management (CDEM) to longer term recovery led by the relevant social sector agencies, to avoid duplication and overlap and address any identified gaps.
- 2 The purpose of this report is to inform you of the pathway to transition responsibility for CDEM's welfare functions to key social sector agencies, alongside iwi and community partners. It also seeks your feedback on our proposal to transition to centrally-enabled, regionally-led COVID-19 recovery models, which will need to align with the Government's broader recovery approach. Your feedback will inform the drafting of a Cabinet paper, which we recommend you take to Cabinet SWC Committee on Wednesday 27 May and Cabinet on Tuesday 2 June.

Executive summary

- 3 As we move to Alert Level 2 CDEM groups have agreed pathways to transfer welfare functions to social sector agencies, in partnership with iwi and community organisations (see Appendices 1 and 2). Functions will start transitioning within two weeks of moving to Alert Level 2, depending on need and readiness in each region.
- 4 There have been varied impacts of COVID-19 across the regions of Aotearoa and on priority groups, with particular issues emerging such as food security, homelessness and a need to support foreign nationals, among other social issues. These priority groups and these issues have all been at the forefront of the Caring for Communities workstream within the All of Government operations command centre. The report's proposed approach will align with the Government's broader recovery.

5. While transition occurs and responding to immediate needs continues, we must also prepare for longer term recovery. Drawing on lessons learned and current service models, we recommend that regional groups are positioned to respond to immediate needs when CDEM transitions out, while also having a focus on medium to longer term social and economic recovery. This work is challenging and has risk as the issues involve new, different and multiple needs, being addressed within urban, rural and regional locations by many stakeholders across sectors and Maori/iwi.
6. Despite these challenges, the strength of the proposed regional model has been an important part of our community response to COVID-19 across the country (see Appendix 3). We have seen regional leaders from central government, iwi, local government, non-government organisations (NGOs), and the business community working more collaboratively than ever before to meet the needs and support the resilience of their communities, whānau, hapū and iwi. A regionally-led model leverages existing groups and builds on strong collaboration and different ways of working that have emerged through COVID-19. It also provides a clear opportunity to practice partnership with Māori, pasifika and our ethnic communities.
7. For this to be successful, central government agencies need to be an effective partner and provide fit for purpose support. This means ensuring appropriate policy, funding and other levers are in place to meet regional priorities. Similarly, it will be important that there is a mandate centrally to receive and support regional proposals and reflect them back into central policy and funding decisions. This way of working is consistent with the objectives of the Public Service Reforms to improve the way central government works in order to promote integrated services and support regions to set priorities and drive change. Working in a coordinated and joined up way will be more critical as we move to a devolved recovery approach.
8. Some regions already have successful leadership structures that are responding to needs and planning for recovery (and some were doing so before COVID-19). However, in other regions, models will need to be adapted and in at least one region, established anew. An important feature across these models is that they will be designed to the needs of the region and by the regions. Regions will be centrally supported to establish these (through the joint efforts of relevant Chief Executives) and to provide appropriate supports to make their structures fit-for-purpose.
9. An initial priority of regional groups would be continuing to provide services and outreach to local communities and priority groups (similar to what CDEM groups are doing). As we move into recovery, these groups would take responsibility for agreeing the social and economic needs of their communities and communicating these to central government in a coordinated way through agencies.
10. Funding will be required to address continuing welfare needs and to power up regionally-led models. While we need to do further work, we envision that funding could be met from some agency baselines, repurposed from approved Budget bids, or seek new funding. Ministers will consider a number of Budget initiatives on Monday 11 May which will have an impact on the ability of social sector agencies and our community partners to meet the immediate welfare needs of our communities. Medium to longer term costs arising from regional proposals for recovery will need to be considered and met as part of the Government's wider strategy for recovery. We will explore contributions from regional partners, with some already indicating a willingness to do so even if that contribution is in-kind.
11. To take account of varying levels of regional readiness and ensure immediate social needs continue to be met, we propose a staged, regionally varied approach (see Appendix 4). Work is underway with regional leaders to confirm the regional leadership model for their region, understand the existing structures already in place and how central government can be an effective partner to their models. Regional leaders, including most local government Chief Executives, have expressed a real excitement to design regionally-led recovery models.

Recommended actions

It is recommended that you:

- 1 **note** that as Civil Defence Emergency Management (CDEM) groups scale back their welfare services, immediate welfare needs will be met by social sector agencies, alongside iwi, non-government organisations (NGOs) and local government
- 2 **note** that welfare support for foreign nationals is a key area for which there is no clear transition pathway from CDEM Group assistance, and officials propose that relevant agencies (NEMA, MSD, MBIE and MFAT) work together to develop advice on solutions in this area
- 3 **note** that, while addressing immediate issues, leaders across all sectors must prepare for longer term recovery of individuals, whānau, hapū, iwi and communities
- 4 **note** that centrally-enabled, locally led models of recovery will need to be well-integrated into and aligned with wider government recovery structures and efforts, which are still under development
- 5 **note** there is strong knowledge and capability to coordinate and drive long-term recovery among many regional leaders in the business community, iwi and NGOs, and there are existing partnerships between these groups and government (local and central) in regions
- 6 **note** the extensive role Māori have had in the immediate response and are having in the recovery effort, and that Māori will be at the table as Te Tiriti o Waitangi partners in the regional recovery groups
- 7 **note** that, in some regions, it will also be important to ensure the Pacific and ethnic community voice is heard through these regional models
- 8 **note** that central government will need to align this work with the Government's broader recovery approach and be an effective partner in a regionally-led approach, considering what levers it can use to appropriately support
- 9 **note** that the level of involvement of regional and local councils will differ across each model and according to their other priorities but that most have indicated a strong desire to drive the success of this model
- 10 **agree** to recommend to Cabinet that central government agencies (through the collective efforts of relevant Chief Executives and their agencies) will work with regions to ensure their models are fit for purpose and can support the immediate and broader recovery needs of individuals, whānau, hapū, iwi and communities
- 11 **note** that the through the collective effort of relevant chief executives and their agencies we will finalise design of each regional leadership model as well as any central government support and funding arrangements that promote strong partnerships and delivery
- 12 **note** that funding for the operational needs of these models will be met through agency baselines, but that immediate welfare costs are subject to Budget decisions and that medium to longer term costs arising from regional proposals for recovery will need to be considered and met as part of the Government's wider strategy for recovery
- 13 **forward** this report to the Prime Minister and Ministers responsible for the response to COVID-19 and who have an interest in civil defence emergency management

[approved by email]

8 May 2020

Viv Rickard
Acting Chief Executive
Ministry of Social Development

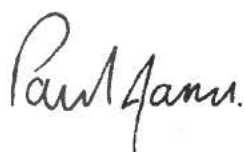
Date



8 May 2020

Lil Anderson
Workstream Lead – Caring for our communities
All of Government Operational Command
Centre

Date



8 May 2020

Paul James
Chief Executive
Department of Internal Affairs

Date



8 May 2020

Carolyn Schwalger
Chief Executive
National Emergency Management Agency

Date

Hon Carmel Sepuloni
Minister for Social Development

Date

Hon Nanaia Mahuta
Minister of Local Government

Date

Hon Peeni Henare
Minister of Civil Defence

Date

As CDEM groups step down, immediate welfare needs will be met by social sector agencies, alongside iwi, NGOs and local government

- 11 In the course of the COVID-19 response, Civil Defence Emergency Management (CDEM) Groups have led regional coordination across many agencies, regional and local government, NGOs, iwi/Māori and Pasifika organisations, and a 'Network of Networks'. Detail on CDEM groups' activities, and the decisions Cabinet has taken to support them to meet the specific and broad emergency welfare needs during the COVID-19 pandemic response can be found in [Appendix 1](#).
- 12 While CDEM Groups have a role in supporting the recovery from an emergency, addressing the long-term social and economic impacts of COVID-19 on individuals and communities is beyond the roles and functions of CDEM Groups. Responsibility for addressing the social and economic impacts of COVID-19 rests primarily with other government agencies, alongside local government, iwi, and non-government organisations (NGOs).
- 13 CDEM Groups should not and cannot continue to coordinate and delivery welfare services for the duration of the COVID-19 recovery. Many of the functions and services they provide are delivered by volunteers and existing local authority staff, who need to return to their usual roles. CDEM Groups also need to refocus their efforts on ensuring readiness and resilience in anticipation of future emergency events (including a potential return to higher COVID-19 Alert Levels).
- 14 NEMA officials are currently preparing advice for the Minister of Civil Defence about whether the State of National Emergency should be extended for a seventh time. This will have implications for the powers available and activities undertaken by CDEM groups as move into Alert Level 2 and the longer-term recovery.
- 15 As indicated in advice to the Minister of Civil Defence on 4 May (briefing number 20/55), NEMA is proposing a risk-based approach to transitioning away from the CDEM Group-led emergency welfare response. Under this risk-based approach, NEMA has identified an indicative timeframe of two weeks following the start of Alert Level 2, for CDEM Groups to transition from coordinating or directing the multi-agency response (through their Emergency Coordination Centres), to one of monitoring, with limited staffing, the ongoing COVID-19 emergency response.
- 16 Against this indicative timeframe, each CDEM Group will have flexibility to make its own decisions about the approach and timing for scaling back its activities once the country moves into Alert Level 2. These decisions will be based on an assessment of risks and needs in their area, and the coordination and welfare support mechanisms in place to address ongoing needs. Where CDEM Groups, in coordination with regional partners, assess there is a need, or a potential gap in other sources of welfare support, they may continue to coordinate the ongoing welfare response, and / or provide more extensive welfare support to communities and individuals in their regions. The aim is to ensure there is no service gap or unmet need during transition.
- 17 This risk-based approach reflects that there is wide variability in the impact of COVID-19 on communities around the country, and the associated need for CDEM Group welfare support. CDEM Groups, such Auckland and Southland, continue to experience high demand for welfare support (e.g. for food and household essentials due to material hardship as a result of COVID-19 related income and job loss), or are responding to welfare issues where there are currently gaps in support (e.g. welfare support for foreign nationals). Other areas (e.g. the West Coast) are ready to start scaling down their welfare response, due to very limited COVID-19 related activity and welfare needs in recent weeks. Similarly, some regions (e.g. Tairāwhiti) have well-established groups and structures that can step in to coordinate ongoing welfare support; while in others there are opportunities to strengthen welfare leadership and coordination structures to support the COVID-19 recovery.
- 18 As CDEM groups step out of the provision of accommodation support, financial and in-kind assistance for foreign nationals to meet essential needs (accommodation, utilities and food), there is a need to minimise gaps in information, services and

support, particularly for individuals, whānau and communities at greater risk of experiencing adverse health, social or economic outcomes as a result of COVID-19 and associated restrictions.

- 19 Our assessment indicates that most of these information and support needs will be able to be met by social sector agencies and local government. However, some elements of this support are subject to Budget decisions and / or policy decisions currently under active consideration. Given uncertainty around the scale and duration of the impacts of COVID-19, there is a risk that we will need further new funding to meet unmet needs.
- 20 This assessment has three areas, where there is greater complexity and uncertainty, and for which the transition away from the CDEM response will need to be carefully managed, and where budget/policy decisions will inform the nature and timing of the transition. These are:
 - a. **Homelessness:** The need for emergency accommodation due to homelessness has been highly variable across regions. The Government announced new funding of \$107.6 million, aimed at ensuring homeless people continue to be housed for the longer term, with 1600 motel units being funded. Work is already underway to look at more permanent housing for homeless people who have been housed during the lockdown, and there is flexibility to extend the current temporary arrangements through to April 2021 as an interim measure. MSD will play a role in carrying out assessments for public housing or financial assistance to help with the costs of accommodation. Some local authorities are likely to continue to work with partner agencies, including MHUD, Kainga Ora, community housing providers and iwi to ensure housing needs are met. In regions where there are Housing First provisions, consideration may be given to boosting capacity to extend services to people who have been housed during Alert Levels 3 and 4.
 - b. **Meeting food needs:** CDEM Groups will continue to provide assistance (e.g. grocery vouchers or supplies) to people who have an immediate need for food and other essential household items, where other assistance is not available to meet these needs. They will also continue to be able to provide funding support to foodbanks and other community food providers, until they determine that support is no longer required, or the \$30m appropriation is exhausted. The intention is support for foodbanks will transition to MSD. Initial agency funding has been made available to KiwiHarvest to scale up the sourcing and distribution of surplus produce to foodbanks from mid-May, but additional ongoing support for foodbanks is dependent on the success of an MSD Budget 2020 proposal for this purpose. The provision of income support and supplementary assistance (e.g. special needs grants for food) through MSD will be a key part of the transition arrangements for addressing food insecurity. As part of the local response, MSD will work to encourage increased uptake of the special needs grants for food.
 - c. **Support for Foreign Nationals:** Foreign nationals can receive support through the Government's Wage Subsidy and Leave Support Schemes, but are not eligible for MSD income support. As a result, CDEM Groups (primarily Auckland, Hawke's Bay and Otago) have experienced significant demand from foreign nationals for assistance in meeting accommodation, utilities and food costs. Large numbers of foreign nationals are likely to remain without work even after moving to lower Alert Levels, due to COVID-19-related business closures (particularly in the tourism and primary industries). Some will decide to return to their country of origin, though their ability to do so depends on the availability of repatriation or commercial flights. Others are well-established in New Zealand (and may have New Zealand born children). Ministers of Social Development and Immigration are proposing time-limited income support for some temporary work migrants, but this has not yet been considered by Cabinet. In the absence of this or other similar support arrangements, there is likely to be a significant gap in welfare support to foreign nationals once CDEM Groups wind back their activities, and the current CDEM appropriation for welfare support is exhausted.

- 21 At the same time as addressing these immediate issues, we must prepare for longer-term recovery. The advice below sets out a proposed plan to support regionally-led long-term recovery.

The knowledge and capability to respond to ongoing immediate needs and drive longer term recovery sits with regional business, iwi, community and NGO leaders, in partnership with central and local government

- 22 Across Aotearoa, need varies reflecting differences in people, place and history. Within regions, the stressors arising from COVID-19 are affecting people differently. Multiple social issues are being managed regionally that are new and different as a result of COVID-19. In addition to food, homelessness and foreign nationals, other issues, such as mental health, addiction and family violence, are of concern.
- 23 In this uncertain context, regionally-led groups are already playing a critical role in supporting community response and recovery. This includes the work of iwi and Māori organisations, and existing partnerships between central government regional leaders, iwi, NGOs, local government and the business community. Examples of successful local leadership, particularly including Māori/iwi, will be provided in the Cabinet paper, for example in Northland, Waikato and Tairāwhiti.
- 24 Central government agencies have a strong footprint in the regions in engaging as partners and delivery agents. For example, the Ministry of Social Development (MSD) Regional Commissioners (RCs), who are focused on social and economic issues, work closely with their regional counterparts from iwi, and social and economic agencies and sectors to support their regions' priorities. This also applies across key relationships for Oranga Tamariki, the Ministry of Education and Corrections.
- 25 There is a strong willingness to further build on this collaborative, locally-led approach. Iwi/Māori have had a strong and increased role in the immediate response and in planning for recovery. The Iwi Chairs, through Te Arawhiti, have been clear that they want to be a partner in planning and local decision-making that affects their people and rohe. Iwi/Māori will be at the table as Te Tiriti o Waitangi partners in the regional recovery groups.
- 26 In some regions (e.g. Auckland), it will also be important to ensure the Pacific and ethnic voice is clearly heard.
- 27 A critical part of the transition will involve the community sector, in particular in relation to the food strategy. NGOs and peak bodies, such as the Social Service Providers Association, are currently playing a critical role in responding to immediate needs, and will continue to do so while CDEM transitions out and efforts increasingly focus on recovery.
- 28 It is important that we take up the opportunity to support coordinated regionally-led approaches. Doing so will help ensure our policy, funding, contracting and delivery decisions are joined-up and informed by the priorities and needs identified by regional leaders and their communities.
- 29 This aligns with the State Services Commission's work to reform the public service, particularly around joined-up government in the regions. Regional Public Service Leads, appointed in late 2019, have already been working to strengthen connections between central government agencies in their regions, and officials are working with them in the development of regionally-led recovery models.
- 30 Such an approach would also be an opportunity to proactively enact Te Tiriti, with partnership and rangatiratanga at the forefront. Alongside the willingness of iwi and Māori to provide valuable manaakitanga and support, iwi are often better connected than government with hard to reach people, families and communities.
- 31 While regional and local council efforts have largely been through the leadership across the CDEM groups, it is clear from recent discussions that most see an important role and opportunity arising from the evolution to these models in the regions.

We are working with each region on regional leadership models, leveraging existing regional groups to lead recovery where possible

- 32 Key to the success of regionally-led models will be enabling regional leaders to design models that work for their communities, leveraging existing groups and drawing on existing relationships in regions. To enable this, Chief Executives and their respective agencies will work to design regional leadership models with regional leaders.
- 33 In designing these models, we are drawing on the lessons CDEM groups have learned over the past two months, as well as what we have learned from previous place-based approaches to social services, such as place-based initiatives (PBIs). These approaches identify four critical success factors for effective collective action:
- a. **Iwi and Pasifika leadership** to place focus on a shared long-term vision based on the principles of Te Tiriti o Waitangi, mātauranga Māori and Pasifika knowledge and values. Regional leaders ensure actions address targeted priority areas and populations.
 - b. **Trusted collaborative relationships** across iwi, central and local government and NGOs who have the confidence and mindset to move beyond existing policy settings and develop holistic responses. Developing trusted relationships and mindsets takes time and opportunities to work together.
 - c. **Infrastructure with the capacity and capability** to adapt and respond within tested governance and operational structures, including backbone evidence and insights functions. This requires security of funding.
 - d. **An adaptive and evidence-informed whānau-centred test, learn and adapt approach** focused on system change to create positive whānau outcomes.
- 34 In addition to these identified success factors and aligned with the intent of the Public Service Reforms, **strong and coordinated public service leadership** will be another critical success factor.
- 35 While leaving the structure and number of groups open for regional design, we recommend broadly setting the outcomes and functions for the model, which specific regional groups can test, learn and adapt to suit their regions:
- a. **Outcomes:** We propose that the groups provide a coordinated response to ongoing and emerging impacts of COVID-19 in communities. Their focus should be ensuring all people, whānau and communities at greater risk of experiencing adverse health, social or economic outcomes as a result of COVID-19 and associated restrictions have information and assistance to provide for their immediate and continued wellbeing.
 - b. **Functions:** Short-term, we envision that the groups' focus will be on supporting the continuity and cohesion of service provision and outreach to communities. There will also be a focus on two-way data and information sharing on local communities and priority groups between regional groups and national offices.

In the medium to longer-term, we envision these regional groups will discuss and agree their priorities to support the economic and social wellbeing of regional communities, develop proposals to deliver on these priorities and confirm the commitment of regional and national groups to resource and implement these proposals.
- 36 In many regions this will build on the already strong relationships between social and economic leaders, and ensure that we are taking a holistic approach to wellbeing. To avoid duplication and ensure cohesion, it will also be critical that regional leadership groups work with other key regional groups and leaders, such as MSD Regional Commissioners, Ministry of Business, Innovation and Employment Senior Regional Officials and interim Regional Skills Leadership Groups, as well as local government-led Mayoral Groups, among many others.

Central government at the national level will need to be an effective partner and support regionally-led recovery

- 37 Central government must be an effective partner. This means providing the right support and levers to enable regions to meet their priorities. While mana will come from who is in the room, and whether the groups have buy-in from their communities, central government has a key role in ensuring that the leadership groups have the mandate, the information and the resources to carry out their role.
- 38 Central government at the national level will need to provide establishment support, set up safe two-way data and information sharing and listen to and act on the priorities of our regional leaders. Central Government cannot revert to leadership in lanes and must respond as a system to the challenges and opportunity that this model offers.
- 39 Regions are at varying levels of readiness to implement a recovery model, and different types of support from central government will be required depending on the context. Some regions have structures in place and are ready to go, whereas others have some regional leadership structures in place but will need support to reposition these for recovery. Further design will be needed with some regions where no regional leadership structures are in place, and large urban regions will need support to develop a model that considers their complex and diverse needs. To take account of varying levels of regional readiness and ensure that we continue to immediate social needs, we propose a staged, regionally varied approach (see Appendix 4).
- 40 Social sector agencies' central offices will need to support the region's vision, be flexible and trust in leaders to learn and adapt their approaches in the rapidly changing environment. Central government engagement with regional leadership groups will be based on the principles of mutual trust, flexibility, and listening and responding to regionally-identified priorities. We recommend that the Cabinet paper seeks agreement that the priorities and proposals of regional groups inform future spend, in terms of current budget bids and agency baseline spending.
- 41 Safe, two-way data and information sharing will be a key part of central government's support. Central government can assist regional leaders' decision-making through the provision of accurate regional data and analysis. In turn, regional leaders can feed data and insights back to central government to inform national-level system improvement processes. Officials will work to ensure we have a data sharing system that meets regional and central needs.
- 42 We will also do further work to ensure that governance arrangements at the national level for this work remain fit for purpose, and there is appropriate engagement between regional public service leaders and central government leaders, particularly as the roles and responsibilities between them evolve. A key principle in this will be to ensure a system leadership response and an action based implementation plan.

Certainty of funding is vital to meet immediate welfare needs and for the success of regionally-led initiatives

Funding to meet immediate welfare needs

- 43 Ministers will consider a number of Budget initiatives on Monday 11 May, which will have an impact on the ability of social sector agencies and our community partners to meet the needs of our communities. Given uncertainty around the scale and duration of the impacts of COVID-19, there is a risk that we will need further funding to meet unmet needs.

- 44 Our ability to support foreign nationals is contingent on policy decisions currently under active consideration. Without agreement to time-limited income support for some temporary work migrants, there is likely to be a significant gap in welfare support to foreign nationals once CDEM Groups wind back their activities, and the current CDEM appropriation for welfare support is exhausted.

Funding for the operational costs of regionally-led models

- 45 Secure funding gives regional leaders the assurance they need to be able to undertake collective action. While we need to do further work on the funding model for this proposal, we envision that most of the costs are met from existing agency baselines and that relevant Chief Executives determine how best to meet these costs. Various funding models will be explored, such as involving co-contribution from partners.

Funding to meet costs of regional recovery proposals

- 46 While operational costs will largely be met from agency baselines, medium-longer term costs arising from regional proposals for recovery will need to be considered and met as part of the Government's wider strategy for recovery.

Next steps

- 47 Your feedback on the proposal in this paper will inform the drafting of a Cabinet paper. The timing of the paper reflects the need to ensure there is a clear plan as CDEM groups consider standing down even if it evolves further as time progresses. The table below outlines the proposed timing for this Cabinet paper:

Task	Timeframe
Feedback from Ministers on report due	Monday 11 May
Draft Cabinet paper to Ministers and agencies for consultation	Thursday 14 May
Feedback on Cabinet paper due	Monday 18 May
Final paper to be lodged (if late lodgment possible)	Thursday 21 May
Cabinet SWC Committee	Wednesday 27 May
Cabinet	Tuesday 2 June

- 48 Working in new ways involves complexity and risk, particularly given varying levels of national coordination and regional capacity and capability. We will do further work ahead of drafting the Cabinet paper on how to manage this complexity and mitigate risk.
- 49 NEMA advice on extending the State of National Emergency will be provided to the Minister of Civil Defence on Monday 11 May.

File ref: REP/20/5/494

Author: s 9(2)(a)

Responsible manager: s 9(2)(a)

Appendix 1: CDEM groups' role in the response to COVID-19

- 1 On 25 March 2020, the Minister of Civil Defence declared a State of National Emergency (SoNE) for all New Zealand under the CDEM Act 2002. The SoNE enables the National Controller, CDEM Groups, Controllers and Police constables to access emergency powers under the CDEM Act (for example the power to close roads). Since the SoNE came into force, the Director CDEM / National Controller has issued two Directions under s 91 of the CDEM Act: the first of which was issued on 29 March and directed CDEM Groups to activate their CDEM arrangements in support of the response to COVID-19. CDEM Groups cannot act inconsistently with any direction given by the Director (or Minister). The purpose of this Direction was to ensure a nationally consistent approach to the CDEM elements of the response to COVID-19.
- 2 In the course of the COVID-19 response, CDEM Groups have led regional coordination across a large number of agencies, non-government organisations (NGOs), iwi/Māori and Pasifika organisations, and a 'Network of Networks'. All CDEM Groups have established iwi engagement and representation within the response coordination structure. Some CDEM groups have begun drafting Maori-specific Covid-19 recovery plans, to identify what recovery may look like for iwi, hapu and whanau, and to avoid duplication of effort and maximise efficiency. Some Groups are working with social agencies to clarify issues and anticipated requirements during the recovery phase. CDEM Groups are working with iwi to ensure any new or strengthened connections capitalise on the opportunity to endure beyond this response and to ensure a faster response to iwi engagement in future.
- 3 The welfare support provided by CDEM Groups is intended to complement, not replace, other Government support measures. There is an expectation that people have exhausted other means of government support (such as MSD income support, or MBIE Temporary Accommodation Service support) before accessing CDEM support. In the case of foreign nationals, people are also expected to access consular and other sources of support before seeking assistance through the CDEM system. In many cases, the welfare support provided by CDEM Groups is provided as a 'last resort', to address immediate or unmet needs when other agencies do not have the capacity or mandate to respond in a timely way.
- 4 The level and extent of support being requested (and provided) during the COVID-19 response is unprecedented, and also new territory for NEMA, CDEM Groups and their partner agencies. Alongside the COVID-19 response, CDEM Groups are continuing to manage ongoing additional emergencies (including drought) and recovery from previous emergencies (including flooding), and have also completed contingency planning for concurrent emergencies additional to COVID-19.
- 5 CDEM activities to support vulnerable people during COVID-19 have included:
 - Establishing welfare phone lines (operating from 7am - 7pm, 7 days a week) to receive calls and enquiries. Auckland has received over 32,000 calls to date, and Waikato 5,394. CDEM Groups continue to service a large volume of calls through 0800 welfare lines (e.g. last week, CDEM Groups fielded around 8,000 calls) many of which are increasingly complex and require interagency coordination.
 - Working closely with NGO's and local partner organisations to ensure food and other household essential items are provided and are accessible for those most in need in their communities. Partner agencies include bulk food providers (e.g. Bidfoods) and supermarkets, through to foodbanks, Whānau Ora agencies, churches, and Māori health providers. CDEM Groups have assisted delivery of groceries and essential items, such as blankets and heaters, to people who cannot access these themselves due to movement restrictions in Alert Levels 3 and 4. Over \$4 million of household goods and services has been reported as delivered by CDEM Groups to date. Food has also been provided for iwi to distribute, with over \$70,000 of food being delivered through iwi last week.
 - Supporting communities by providing accommodation, and supporting people and whanau affected by homelessness into emergency and temporary housing. CDEM Groups coordinates with other agencies, NGOs and accommodation providers to provide short-term emergency accommodation support, and link individuals and families/whanau with support services to facilitate placement into appropriate housing and wrap around services. As at April 15, CDEM Groups reported over 120 homeless were being housed in

Bay of Plenty and Auckland was providing accommodation to 500 homeless, across 20 facilities. Wellington continues to provide accommodation to over 90 homeless people.

Supporting foreign nationals, particularly those on working visas, impacted by job and accommodation loss. CDEM Groups are assessing welfare needs of these individuals and working with other agencies to support and direct them to services. Where possible foreign nationals are put in touch with their embassy. Otago CDEM report that contact has been made with over 2,169 foreign nationals. Queenstown Lakes District Council is providing financial assistance (e.g. paying for a hotel / motel, or rent on their existing accommodation) for migrant workers and foreign nationals in their region who cannot afford accommodation, and is also providing grocery vouchers and paying for utilities.

Coordinating 'welfare navigators', who support the welfare needs of guests in managed isolation and quarantine hotels. Auckland CDEM report a total of 278 referrals for welfare support for these guests.

- 6 Cabinet has taken two key decisions to support CDEM Groups meet the specific and wide-ranging nature of emergency welfare needs during the COVID-19 pandemic response:

On 26 March, Cabinet agreed to amend the Guide to the National Civil Defence Emergency Management Plan 2015 (the Guide) to enable Local Authorities to recover the welfare costs they incur when supporting people required to self-isolate or shelter in place due to the COVID-19 pandemic. This change enabled CDEM Groups to support people who couldn't otherwise access food and other household goods and services, or required support to self-isolate in appropriate accommodation. The Guide only provides for the reimbursement of these welfare costs during the response phase of an emergency.

On 21 April, a new \$30m appropriation was established to enable CDEM Groups to provide welfare support to meet wider welfare needs, including by providing funding to foodbanks and other community organisations meeting immediate basic needs for food and household supplies. The establishment of an appropriation enables local authorities / CDEM Groups to be reimbursed for the provision of urgent welfare support provided during both the response and recovery phases of the COVID-19 emergency.

DRAFT IN CONFIDENCE

Appendix 2: Transitioning CDEM Group welfare support roles and functions

CDEM Group role / function / activity	Expected demand for CDEM welfare support	Approach to transition, including which agency will pick up and what will they do	Relevant wider govt activity
<i>CDEM Welfare Coordination functions</i>			
CDEM Group coordination role / Welfare Coordination Groups (WCGs)	<ul style="list-style-type: none"> •Ongoing need varies between regions •Some CDEM Groups likely to continue to provide some welfare services based on need •COVID-19 welfare reimbursement claims process will continue. 	<ul style="list-style-type: none"> •Emergency Coordination Centres (ECCs) maintained needed •CDEM Groups planning transition to social recovery with C4C regional partners. •C4C proposal for regional models to coordinate and lead the recovery. •WCGs will return to a state of readiness for the next emergency or re-escalation of COVID-19 response. 	11 Regional Public Service Leads agreed by Cabinet in late 2019, and now playing key coordination roles across central government in the regions.
0800 number for CDEM welfare support	<ul style="list-style-type: none"> •Declining call volumes •CDEM groups reducing hrs for 0800 numbers to 9am-5pm, 7 days p.w.) 	<ul style="list-style-type: none"> •Progressive reductions in CDEM 0800 Welfare hours, aligned with demand •Other agency 0800 numbers will continue •Consider continued operation of 0800 Government Helpline 	
Outreach calls to vulnerable people	<ul style="list-style-type: none"> •Shift from an immediate welfare focus to assessing longer-term needs. 	<ul style="list-style-type: none"> •Continuation of Caring for Our Communities Liaison and Outreach activities 	Govt funding provided to NGOs and community providers to increase support to vulnerable populations during COVID-19 response
Working with and supporting iwi / Māori organisations		<ul style="list-style-type: none"> •Ongoing efforts to improve CDEM Group engagement with iwi and Māori organisations •Iwi will be key strategic partners in proposed new regionally-led recovery models. •Development of Manaaki intelligence and insights platform 	Govt funding package provided to iwi, Māori and Whanau Ora providers
<i>Housing / Accommodation</i>			
Accommodation support for people to self-isolate	<ul style="list-style-type: none"> •Need for emergency accommodation support need expected to reduce at Alert Level 2 	<ul style="list-style-type: none"> •MBIE MIQ and NZDF accommodating those in the community who are required to quarantine after testing positive for COVID-19 •MOH is working on a community model to support self-isolation accommodation needs of identified close contacts 	Separate arrangements will apply to people in quarantine vs people in managed self-isolation
Travel displaced	Need for emergency accommodation support not require in alert levels 1 and 2, only when travel bans or disruptions are in place (levels 3 & 4)	<ul style="list-style-type: none"> •MBIE Temporary Accommodation Service (TAS) will house anyone displaced and unable to return to their primary residence due to travel bans connected with COVID-19, and work with CDEM Groups to meet emergency (e.g. same day) accommodation needs. Includes foreign nationals. 	

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Emergency accommodation for homeless people	<ul style="list-style-type: none"> •Homeless cohort identified through the COVID-19 requirement to self-isolate expected to have ongoing housing needs. 	<ul style="list-style-type: none"> •Some local authorities likely to continue working with partner agencies (e.g. MHUD, Kainga Ora, community housing providers and iwi) meet housing needs. •MHUD and Kainga Ora working to identify more permanent housing for homeless people housed during lockdown, with scope to extend current temporary arrangements to April 2021, and / or Housing First provision. •MSD will continue to manage emergency housing special needs grants and assess eligibility for public / transitional housing. 	<ul style="list-style-type: none"> •Rent increase freeze and limits on termination of tenancies. •Homelessness Action Plan •New funding of \$107.6 million announced on 26 April, is intended to ensure homeless people continue to be housed for the longer term, with 1600 motel units being funded.
Food and other household goods and services			
Provision to groceries to people self-isolating and with no means of accessing food	<ul style="list-style-type: none"> •Significantly reduced demand at Alert Level 2 	<ul style="list-style-type: none"> •NEMA / CDEM Group Bidfood contracts will continue •Work with Volunteer New Zealand will continue •Iwi, NGOs and community organisations likely to continue to identify and support people with ongoing need to assistance to access groceries. 	COVID-19 Community Awareness Preparedness Grant Fund - so essential social services can keep delivering for communities
Provision of food & other household goods (e.g. blankets, warm clothes, utilities / electricity) to people impacted by COVID, where these needs cannot be met by other sources of support	<ul style="list-style-type: none"> •Financial needs expected to continue, resulting in in higher ongoing food needs. 	<ul style="list-style-type: none"> •CDEM Groups will continue to provide this support through to Alert Level 2 plus 2 weeks, or beyond if ongoing community need. •MSD funding support for foodbanks, and income support and supplementary assistance (e.g. special needs grants for food) a key part of transition arrangements. 	<ul style="list-style-type: none"> •Income support changes •Employment subsidies / leave support scheme •MSD Budget 20 bid to scale up employment service
CDEM funding support for foodbanks and other community providers	<ul style="list-style-type: none"> •Ongoing (and potentially increased) demand for foodbank services expected post COVID-19 response. 	<ul style="list-style-type: none"> •CDEM Group / local authorities funding support to foodbanks can continue (appropriation established to enable this) until at least Alert Level 2 plus 2 weeks. •MSD funding to KiwiHarvest to source and distribute surplus produce to foodbanks from mid-May. •Support for foodbanks will transition to MSD, but this is contingent on Budget 2020 bid. 	MoE Budget 2020 proposal to expand the free and healthy school lunch programme

DRAFT IN CONFIDENCE

Welfare support for foreign nationals (non-NZ citizens or permanent residents)			
Coordination and provision of welfare services and support for foreign nationals (incl. unlawful migrants) who are unable to access any other means of assistance	<ul style="list-style-type: none"> •Ongoing need for support expected, given large number of foreign nationals likely to remain without work and unable to access income support 	<ul style="list-style-type: none"> •Costs can continue to be met through CDEM Group welfare reimbursement appropriation – unclear when this will be exhausted •Local community networks and NGOs may continue to support but likely to be under increased financial pressure •No clear transition pathway for this aspect of CDEM welfare support. •Ministers of Social Development and Immigration have a proposal for time-limited income support for some temporary work migrants – yet to be considered by Cabinet (and is subject to cross-party agreement). 	<ul style="list-style-type: none"> •Wage Subsidy / Leave Support Schemes available to foreign nationals. •Freeze on rent increases (ends Sept) and restrictions on tenancy terminations, including for rent arrears of <60 days (until mid-June)
Provision of welfare services to people in quarantine and managed isolation	<ul style="list-style-type: none"> •Demand depends on overseas arrivals and potential community transmission 	<ul style="list-style-type: none"> •Work underway with Ministry of Health to confirm whether need for CDEM Group welfare support for community-level managed isolation and quarantine facilities. 	

Appendix 3: Regional Leadership Model

Objective: Ensure that as regions transition from Level 3 and CDEM Groups begins to steps back, regions are well prepared to:

- Focus on regional social and economic recovery
- Provide a coordinated response to ongoing and emerging social impacts of COVID-19 in our communities and priority groups
- Maintain continuity and cohesion of service provision and outreach to communities after transition from CDEM Group coordination

Our priority groups

Require continuity of service	GAF	Gang families
	NUP	Newly unemployed
	PWA	People with addictions
	PMH	People with mental health conditions
	PAV	People affected by family and/or sexual violence
	VUY	Vulnerable youth
	CIP	Children in need of protection
	CAH	Children at home

High Risk of COVID-19	70+	70yo
	PWD	Disabled people
	DPP	Displaced people
	HLP	Homeless people
	P50	Pasifika >50yo
Vulnerable due to language, culture and geographic barriers	M50	Māori >50yo
	PCH	Those with chronic health conditions
	PHD	People living in high density housing
	REM	Recent migrants
	REF	Refugees
	ETP	Ethnic people
	ULM	Unlawful migrants

Now: COVID-19

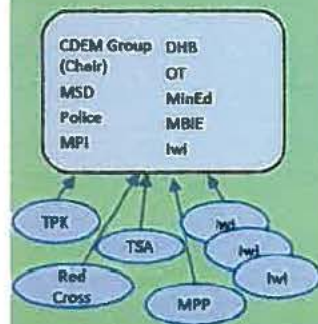
Welfare continuity as needed

Regional Model

CDEM Group multi-agency response

- Regional and local welfare responses led through Welfare Coordination Groups (WCG)
- CDEM Welfare costs recoverable under S.33 Guide to the CDEM Plan and additional funded by local government, with additional central government appropriation for COVID-19
- Focused on welfare functions and responding to individual / whānau needs
- WCG make-up varies by region including:
 - Iwi involvement
 - CDEM Group coordination and response
 - Central Government regional representation, resourcing and response

Regional Welfare Coordination Group



CDEM Welfare Focus

CDEM Welfare Services	
Registration	CDEM Group
Needs Assessment	CDEM Group
Inquiry	Police
Care & Protection of children & young people	Oranga Tamariki
Psychosocial support	MoH / DHB
Household Goods and Services	NEMA CDEM Group
Shelter & Accommodation	MBIE
Financial Assistance	MSD
Animal Welfare	MPI

CDEM Group

- Transition out of CDEM Group Emergency Welfare Services such as 0800 numbers, provision of emergency shelter, delivery of food parcels, support to foodbanks by AL2 + 2 weeks
- CDEM Groups may continue to provide some CDEM Emergency Welfare Services where they assess there is a need, in coordination with C4C regional partners. The aim is to ensure there are no welfare services gaps or unmet need due to policy or funding gaps as we transition (acknowledging that CDEM Groups cannot be expected to cover such gaps)
- E.g. ongoing assistance provided for migrant workers and foreign nationals not eligible for MSD financial assistance

AL2 + 2



Key features

- Approximately 16 regions
- Build on existing structures where possible
- Regionally-led
- Hosted by a group appointed regional leader
- Not hardwired structure but key decisions devolved
- Aligned focus on social and economic recovery
- Cross system (i.e. central and local government)
- Involve business and community representatives
- Leadership that works for region – respect, mana in community

Focus

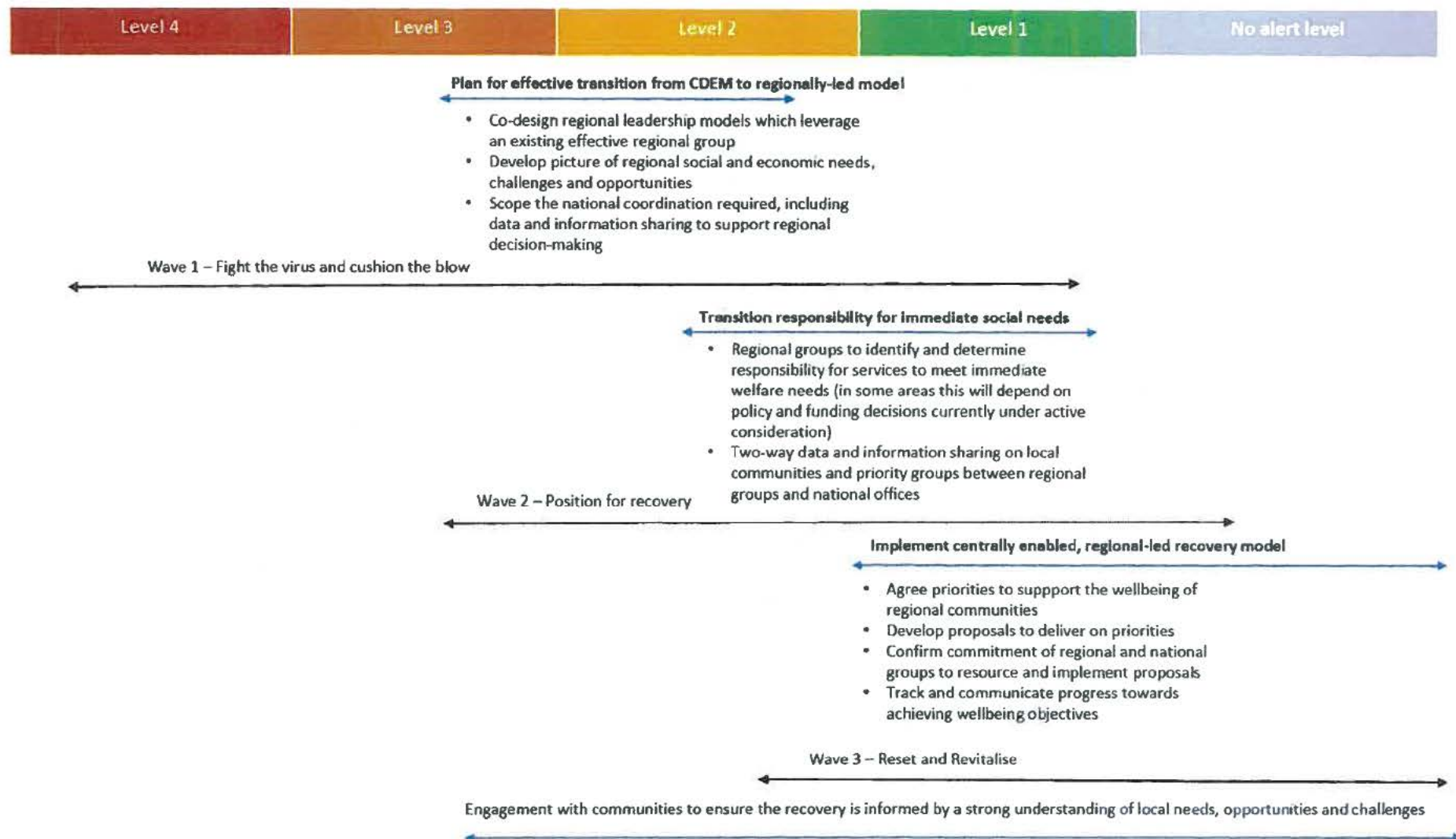
- Daily intel on communities and priority groups
- Understand the regional economic and social impact and opportunities
- Honest assessment of strengths, capacity, resources across members
- Engage with community representatives on options and priorities
- Plan and prioritise action and define responsibilities
- Coordinate effort to meet welfare needs
- Create proposals to support social and economic response and recovery.

Longer term

- Resource priorities and deliver services
- Influence national planning and policy development
- Facilitate community-led social and cultural recovery
- Identify opportunities to reduce inequity and build cultural and social cohesion
- Maintain overview of major regional investment
- Track and communicate progress towards social and economic results.

Appendix 4: Process to transition from COVID-19 response to centrally-enabled, regionally-led recovery models

Health Alert Level





Report

Date: 1 May 2020

Security Level: BUDGET SENSITIVE

To: Hon Carmel Sepuloni, Minister for Social Development

Budget 20 – proposed implementation plans for the social sector cost pressure initiatives

Purpose of the report

- 1 This report provides information and seeks your input on the allocation of Budget 20 cost pressure funding for Ministry of Social Development (MSD)-funded social services.

Executive summary

- 2 Budget 20 allocates s 9(2) f(iv) OIA of additional funding over four years to address cost pressures experienced by MSD-funded social services. The additional funding is predominately targeted at services that have a high proportion of social workers (and equivalent workforce) as well as those impacted by significant underinvestment over a long period of time.
- 3 The proposed implementation approaches for Budget 20 cost pressure funding align well with the emerging principles of the cross-agency work on the Future of Social Sector Commissioning, which is being led by MSD and Oranga Tamariki in conjunction with the provider sector.
- 4 Budget 20 investment is in addition to \$27 million of funding announced on 26 March 2020 to support essential social services to respond to the impacts of the COVID-19 related lockdown.
- 5 As you are aware, MSD is also currently seeking further funding for its social services from the COVID-19 Response and Recovery Fund. Cabinet is expected to make decisions on additional funding from the Fund on 11 May 2020.
- 6 While the proposed implementation approaches for Budget 20 cost pressure funding outlined in this report were developed prior to the arrival of COVID-19 in New Zealand, MSD considers that they are still fit-for-purpose.

Recommended actions

It is recommended that you:

- 1 **note** that the implementation approaches outlined in this report align with the emerging principles of to the Future of Social Sector Commissioning work programme

- 2 **endorse** MSD's proposed implementation approaches for Budget 20 cost pressure funding as outlined in this briefing, pending any input from yourself
- 3 **note** that MSD will shortly provide your office with a comprehensive communications pack to prepare for Budget 20 announcements scheduled for 14 May 2020
- 4 **agree** to forward the report to the Associate Minister for Social Development, Hon Poto Williams, for her information.

AGREE / DISAGREE



1 May 2020

Marama Edwards
Deputy Chief Executive Māori Community and
Partnerships

Date

Hon Carmel Sepuloni
Minister for Social Development

Date

Overview

- 7 Budget 20 invests an additional s 9(2)(f)(iv) OIA over four years in MSD-funded community-based social services.
- 8 Most of the additional funding s 9(2)(f)(iv) OIA over four years) addresses known cost pressures for support services for those experiencing and perpetrating family violence, disabled people, and services for rural communities. This includes departmental funding to bolster MSD's capability to engage and work with the family violence and rural services sectors.¹
- 9 A total of \$21.220 million over four years provides immediate support to Out of School Care and Recreation (OSCAR) services, Building Financial Capability (BFC) services and community sector national bodies.
- 10 Budget 20 builds on investments already made in Budget 18 and Budget 19:
 - 10.1 Budget 18 invested \$76.5 million over four years in MSD's family violence services to stabilise providers and fill gaps in service delivery, which lead to the implementation of the Whanau Resilience approach in 2019/20
 - 10.2 Budget 19 invested \$90.3 million over four years to more sustainably fund specialist sexual violence services. It also provided a general uplift of 3.75% in baseline funding levels to MSD-funded community-based social services.
- 11 Budget 20 is an important step towards building the sustainability and effectiveness of MSD-funded services for those experiencing and perpetrating family violence, disabled people, and services for rural communities. These services were prioritised in Budget 20 as they have a high proportion of social workers (and equivalent workforce) or have experienced significant underinvestment over some time.
- 12 MSD will use the significant additional investment in services for rural communities² to review the current service delivery model and explore new operating models that better meet the needs of clients in rural areas. This will take into account emerging needs resulting from the impact of COVID-19.
- 13 BFC services and community sector national bodies will receive a smaller increase. In the case of BFC services the funding supports short-term service viability while we work with the sector on more permanent solutions.
- 14 OSCAR services receive a small increase to address the cost pressures that have built up over six years. Half of the additional investment is explicitly targeted towards centres in low socio-economic areas.

Breakdown of Budget 20 funding by service

- 15 Funding for family violence services, services for disabled people, and services for rural communities has a rising profile over four years. This ensures that providers receive immediate additional funding while allowing MSD time to work with the

¹ Approximately \$2.5 million of funding per year for MSD to build capability and capacity to conduct sector engagement, service development and design, and improve performance monitoring.

² Rural services include 28 Heartland Service centres and 32 Information and Advice service providers across New Zealand.

respective sectors on developing new contracting and service models that are fit-for-purpose and better meet the needs of clients.

- 16 Investment for these services is either at or close to the funding levels sought by MSD. This will support the development and delivery of quality services and enable providers to become more sustainable over time.
- 17 The additional funding for family violence services will allow providers to better retain and recruit staff by increasing the salaries of social work (or equivalent) staff. The additional funding received through Budget 20 is expected to be sufficient to restore the 20 percent pay differential with Oranga Tamariki that existed prior to the pay equity settlement for social workers. Any further increases would have to be requested through subsequent Budgets and could take into account any pay equity claims relating to NGO staff in general.
- 18 The below table outlines the additional investment received by each service over the next four years and how it compares to current baseline funding. Services with significant additional funding are shaded in grey.

Table 1: Breakdown of Budget 20 cost pressure funding by initiative

Initiative		19/20 baseline (\$m)	Additional funding through Budget 20 (\$m), including departmental funding					23/34 & outyears baseline (\$m)
			20/21	21/22	22/23	23/24 & Outyears	4-year total	
1.1	Services for Victims (FV)	27.900	17.000	34.000	42.000	49.000	142.000	76.900
1.2	Services for Perpetrators (FV)	2.300	2.500	3.500	5.000	5.000	16.000	7.300
1.3	Elder Abuse Services (FV)	3.000	2.500	5.000	7.500	10.000	25.000	13.000
2	Disability services	72.000	5.166	s 9(2)(f)(iv) OIA				
3	Rural services	1.550	2.078	3.446	7.122	7.122	19.768	8.622
4	Community Sector National Bodies	0.900	0.480	0.480	0.480	0.480	1.920	1.380
5	BFC	13.200	2.425	2.425	2.425	2.425	9.700	15.625
6	OSCAR	19.500	2.400	2.400	2.400	2.400	9.600	21.900

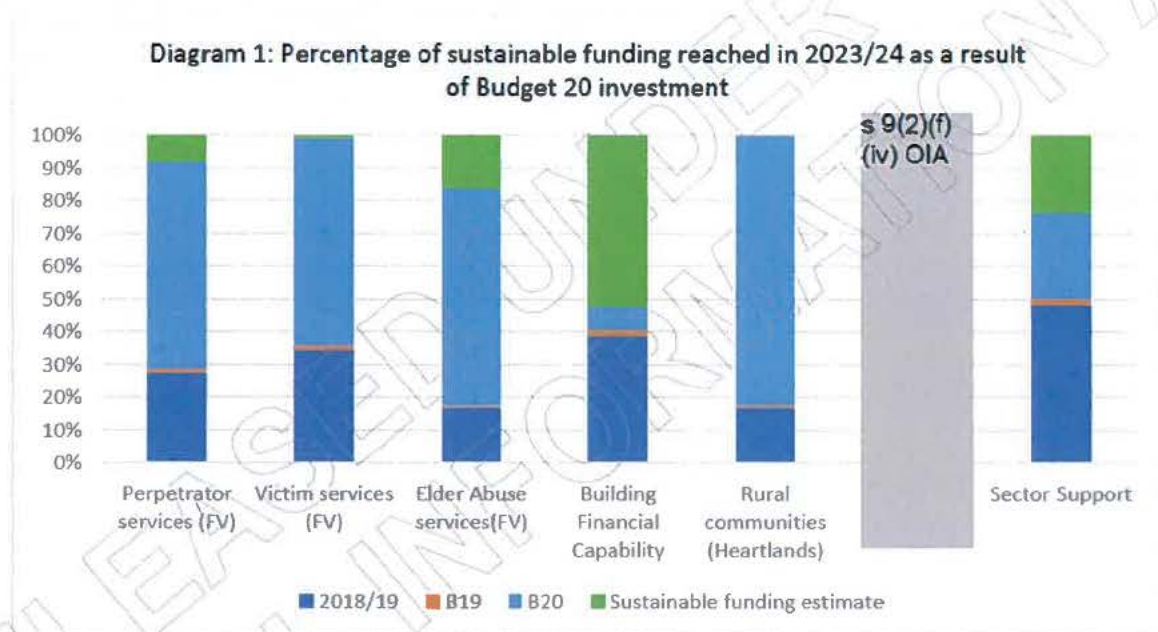
- 19 Please note that the funding levels were calculated to address the cost pressures that existed prior to the arrival of COVID-19 in New Zealand. The funding was not and is not sufficient to allow MSD:

19.1 to close geographical gaps in service delivery that existed prior to the arrival of COVID-19

19.2 to address additional demand for services that existed either prior to, or has arisen as a result of, the impact of the lockdown.

- 20 Funding levels for BFC, OSCAR and community sector national bodies flatline and therefore do not increase further after 2020/21. These increases were, in a pre-COVID-19 environment, expected to be sufficient to provide immediate support only. The aim is to ensure short-term viability of service providers.

- 21 MSD will work with the BFC sector and community sector national bodies in 2020/21 to establish what further support might be required to ensure long-term viability and fit-for-purpose service deliver. This means that these services may require additional funding through future Budgets.
- 22 For OSCAR services additional investment from Budget 20 means a higher contribution from MSD. This allows providers to delay passing on cost pressure increases to clients. Additional funding may be required through future Budgets to expand the number of OSCAR services funded and/or keep charges to clients as low as possible.
- 23 The overleaf diagram outlines how much of the sustainable funding level for each service (as estimated by MSD) is being reached through Budget 20 by 2023/24 (as the year of maximum investment).



- 24 MSD's ongoing engagement with providers on the development of new contracts and service guidelines – as well as business-as-usual performance management – will ensure that the additional investment leads to improved service quality. This work is being supported by Budget 20's additional investment in MSD's own capability.
- 25 In addition, the proposed implementation of family violence services for victims, perpetrators and elder abuse will be incorporated in the ongoing family violence evaluation work programme funded through Budget 18. The proposed significant redesign of rural services will also be accompanied by a dedicated evaluation work programme.

Impact of Covid-19 on demand for MSD-funded social services

- 26 The COVID-19 pandemic and the related public health response are having a significant impact on individuals, families and communities around the country.
- 27 The lockdown and the related consequences have led to, or are expected to lead to, an increase in the demand for essential social services funded by MSD. While the full picture of the real impact may not be known for some time, it has become clear that the consequences will be far reaching and potentially ongoing in nature.

- 28 A total of \$27 million has already been made available to MSD-funded social sector services and other community groups to meet immediate increases in costs and/or demand. This included \$12 million to MSD-funded providers of family violence crisis responses services and specialist sexual violence services, \$6 million for disability providers, and \$0.5 million to the MoneyTalks helpline (a BFC service).
- 29 MSD is now seeking further funding for its social services through the COVID-19 Response and Recovery Fund (CRRF) via a Cabinet decision on 11 May 2020. This includes additional funding for family violence and BFC services, amongst other responses. If successful, additional time-limited funding would be available for two years (2020/21 and 2021/22).
- 30 It is important to acknowledge that the implementation approaches developed for additional Budget 20 funding were made prior to the arrival of COVID-19 in New Zealand. However, we still consider them to be fit-for-purpose in a post-COVID 19 environment, especially since they include significant additional investment and close engagement with the respective sectors over the next four years.
- 31 We will continue to work closely with our providers and sector representatives over the coming weeks and months to ensure that we can be flexible in responding to emerging need as the impact of COVID-19 on communities becomes clearer.
- 32 Please refer to the appended slide deck for more detail on the implementation of each of the initiatives outlined in Table 1.

Alignment with the cross-agency work on the Future of Social Sector Commissioning

- 33 As you are aware, MSD and Oranga Tamariki have been progressing work on the Future of Social Sector Commissioning with other government funders of social services, representatives from social sector peak bodies and a range of service provider representatives. Two workshops were held in early March 2020 to scope the future direction of travel for this work.
- 34 What emerged from the workshops was a shared commitment to improve outcomes for the clients of social service providers, based on the principles of closer relationships, as well as transparent and sustainable funding approaches that allow for the delivery of quality services.
- 35 We consider that the Budget 20 implementation plans outlined in the appendix align closely with principles that have emerged from the work programme so far as they include:
- 35.1 significant elements of sector engagement, including on funding approaches (family violence, disability services, rural services and BFC)
 - 35.2 significant new funding that allows MSD to take steps towards more sustainably funding family violence, disability, and rural services.
- 36 Oranga Tamariki has also received funding through Budget 20 to address cost pressures experienced by their contracted providers. We understand that they will be targeting the additional investment at services relying heavily on social workers or similarly skilled staff who work with children and families that need a significant amount of support. Providers that do not fall in that category will receive CPI increases only.

- 37 Some of the providers jointly funded by MSD and Oranga Tamariki will receive additional funding from both agencies through Budget 20. We will therefore work closely with Oranga Tamariki to align Budget 20 announcements, as required.
- 38 We will also continue to work with the Joint Venture Business Unit (JVBU) and other Joint Venture agencies on aligning any family-violence related Budget 20 announcements.

Next steps

- 39 Please advise MSD officials of any feedback that you may have regarding the proposed implementation approaches.
- 40 We will shortly provide your office with a comprehensive Budget 20 communications pack to prepare for Budget announcements on 14 May 2020.
- 41 Please note that we will review the proposed Budget 20 implementation approaches for family violence and BFC services following Cabinet decisions about additional funding for these services through the CRRF, expected on 11 May 2020.

Appendix

- 42 Proposed implementation plans for MSD's Budget 20 social sector cost pressure initiatives.

File ref: REP/20/04/0456

Author: s 9(2)(a) OIA [redacted] Principal Analyst Safe Strong Families and Communities

Responsible managers: Mark Henderson, General Manager Safe Strong Families and Communities and Kelvin Moffatt, General Manager Service and Contracts Management

- 1.1. Family Violence - Victim Services**
- 1.2 Family Violence - Perpetrator Services**
- 1.3 Family Violence - Elder Abuse Response Services (EARS)**
- 2. Disability Services**
- 3. Rural Services – Heartlands and Information and Advice**
- 4. Community Sector National Bodies**
- 5. Building Financial Capability**
- 6. Out of School Care and Recreation**

Budget 20: Implementation plans for MSD's social sector initiatives

1.1 Family Violence – Victim Services

Budget 20 (4 years)	Aim of initiative	Implementation plan and engagement with the sector		Expected impact on service quality	Expected impact on pay equity issues & staff salaries
<p>Received: \$142.0m</p> <p>Sought: s 9(2)(f)(iv) OIA</p> <p>Annual baseline 2019/20: \$27.9m</p>	<p>Provides funding to address personnel-driven cost pressures for refuges and other services for victims/survivors of family violence (predominantly women and children), including advocacy, one-on-one and group therapy, family-centred services in the crisis and short/medium term for victims/survivors of family violence.</p> <p>(This excludes Whānau Resilience which is already funded at a sustainable rate through Budget 2018 and helplines, as MSD plans to review these at a later date)</p>	<p>Women's Refuges</p> <ul style="list-style-type: none"> 2020/21 – 2022/23 - Implement new three-year contracts with year-on-year funding increases. The contracts include a funding model based on MSD's engagement with the refuge sector over the last year. MSD will continue to work with the refuge sector to continue to refine and implement improved service guidelines over the contracted period. 2023/24 – implementation of new five-year contracts starts. 	<p>Other services for victims/survivors</p> <ul style="list-style-type: none"> 2020/21 – 2022/23 – Provide initial funding top up valid for the period of the three year contracts (no automatic increases in second and third year). Over the same period MSD will conduct significant engagement with the sector on service design and development of new service guidelines. Additional funding becoming available in 2021/22 and 2022/23 will be allocated based on results of the service design and guideline development process. 2023/24 – implementation of new five-year contracts starts. 	<ul style="list-style-type: none"> Enable 150 current providers to address cost pressures, retain and develop staff and implement lower caseloads. Over 24,000 victims/survivors and their family/whānau expected to benefit (based on currently contracted volumes) Funding for the National Collective of Independent Women's Refuges to provide ongoing support for the sector. Improved service guidelines, contracting models and feedback loops. 	<ul style="list-style-type: none"> Increase salaries of social work staff (or equivalent) to restore 20% pay differential with Oranga Tamariki. Meets Mental Health and Addiction in NGO sector pay equity for non-social work staff (approx. 50% of total workforce).

Please note that an additional \$8m over two years was allocated to Women's Refuges and other family violence crisis response services in March 2020 to deal with additional demand resulting from the COVID-19-related lockdown. A further s 9(2)(f)(iv) OIA is now being sought through the COVID-19 Response and Recovery Fund (CRRF) to 1) address additional demand due to the impact of COVID-19, and 2) establish a nation-wide, easily accessible, digital backbone for services that is able to respond in the restricted COVID-19 environment to the predicted increased levels of demand through multiple modes, including text, phone and online.

Budget 20: Implementation plans for MSD's social sector initiatives

1.2 Family Violence – Perpetrator Services

Budget 20 (4 years)	Aim of initiative	Implementation plan and engagement with the sector	Expected impact on service quality	Expected impact on pay equity issues & staff salaries
<p>Received: \$16.0m</p> <p>Sought: s 9(2)(f)(iv) OIA</p> <p>Annual baseline 2019/20: \$2.3m</p>	Provides funding to address personnel driven cost pressures for crisis and short/medium term services for perpetrators of family violence, including advocacy, one-on-one and group support, non-violence programmes and counselling services.	<ul style="list-style-type: none"> 2020/21 – 2022/23 – Provide initial funding top up valid for the period of the three year contracts (no automatic increases in second and third year). Over the same period MSD will conduct significant engagement with the sector on service design and development of new service guidelines. Additional funding becoming available in 2021/22 and 2022/23 will be allocated based on results of the service design and guideline development process. 2023/24 – implementation of new five-year contracts starts. 	<ul style="list-style-type: none"> Enable 38 current providers to meet cost pressures and known urgent demand for services, retain and develop staff and implement lower caseloads. Expected to benefit over 1,500 clients each year. Funding for Te Kupenga Whakaoti Mahi Patunga – the National Network of Stopping Violence to provide ongoing support for the sector. Improved service guidelines, contracting models and feedback loops. 	<ul style="list-style-type: none"> Increase salaries of social work staff (or equivalent) to restore 20% pay differential with Oranga Tamariki. Meets Mental Health and Addiction in NGO sector pay equity for non-social work staff (approx. 50% of total workforce).

Please note that s 9(2)(f)(iv) OIA is now being sought through the COVID-19 Response and Recovery Fund (CRRF) to 1) address additional demand due to the impact of COVID-19, and 2) establish a nation-wide, easily accessible, digital backbone for services that is able to respond in the restricted COVID-19 environment to the predicted increased levels of demand through multiple modes, including text, phone and online.



1.3 Family Violence – Elder Abuse and Response Services (EARS)

Budget 20 (4 years)	Aim of initiative	Implementation plan and engagement with the sector	Expected impact on service quality	Expected impact on pay equity issues & staff salaries
<p>Received: \$25.0m</p> <p>Sought: § 9(2)(f) (iv) OIA 19/20 baseline: \$3.0m</p>	Provides funding to address personnel-driven cost pressures. Services are delivered predominantly by social workers or nurses who provide advice, support, advocacy, safety planning, goal setting and whānau mediation to people experiencing or at risk of experiencing family violence.	<ul style="list-style-type: none"> • 2020/21 – 2022/23 – Provide initial funding top up valid for the period of the three year contracts (no automatic increases in second and third year). • Over the same period MSD will conduct engagement with the sector on service design and development of new service guidelines. This builds on the work MSD has done with EARS providers when the service was re-designed two years ago. • Additional funding becoming available in 2021/22 and 2022/23 will be allocated based on results of the service refinement and guideline development process. • 2023/24 – implementation of new five-year contracts starts. 	<ul style="list-style-type: none"> • Enable 27 current providers to meet cost pressures and known urgent demand for services, retain and develop staff and implement lower caseloads. • Around 4,000 clients are expected to benefit from this service (slightly more than currently contracted with providers). • Improved service guidelines, contracting models and feedback loops. 	<ul style="list-style-type: none"> • Increase salaries of social work staff to restore 20% pay differential between Oranga Tamariki and NGO social workers.

Please note that § 9(2)(f)(iv) OIA is now being sought through the COVID-19 Response and Recovery Fund (CRRF) to 1) address additional demand due to the impact of COVID-19, and 2) establish a nation-wide, easily accessible, digital backbone for services that is able to respond in the restricted COVID-19 environment to the predicted increased levels of demand through multiple modes, including text, phone and online.

Budget 20: Implementation plans for social sector initiatives

2. Disability Services

Budget 20 (4 years)	Aim of initiative	Implementation plan and engagement with the sector	Expected impact on service quality	Expected impact on pay equity issues and staff salaries
<p>Received: s 9(2)(f)(iv) OIA</p> <p>Annual baseline 2019/20: \$72.0m</p>	<p>Provides funding to address the increasing cost pressures experienced by MSD-funded community-based services for disabled people. These services aim to enhance the mana and quality of life of disabled people by supporting them to participate in and contribute to the wider community based on the Enabling Good Lives principles. Services include participation in vocational and community-based day programmes.</p>	<ul style="list-style-type: none"> • 2020/21 – 2023/24 - All providers receive a standard uplift over the four year investment period totalling \$43.3m. The funding will be tied to providers implementing a voice of the client survey, which will provide MSD with information on satisfaction with the quality of service and progress made towards individual goals. • 2020/21 and 2021/22 - MSD will engage with current providers and sector peak bodies on a service cost model that better recognises the range of costs to address historical discrepancies between what individual providers are paid. • 2022/23 and 2023/24 – s 9(2)(f)(iv) OIA <p>This funding will be targeted to providers that require an uplift rather than applied broadly.</p>	<ul style="list-style-type: none"> • Significantly reduces risk of service failure and will allow providers to meet cost pressures, extend opening hours and lift service quality. • Will benefit approximately 9,500 people accessing Community Participation services through 144 providers at any point in time. • Improved feedback loops through the implementation of a voice of the client survey. 	<ul style="list-style-type: none"> • The disability sector has settled its claim for pay equity for care and support workers and additional funding has already been appropriated to address this. • Additional funding through Budget 20 will allow providers to pay additional annual increases.

Please note that an additional s 9(2)(f)(iv) OIA was allocated to currently MSD-funded disability providers to provide a contribution to the costs of providing support to disabled people who are self-isolating, so they stay connected to the community to minimise the impacts of loneliness and isolation on their wellbeing.

Budget 20: Implementation plans for social sector initiatives

3. Rural Services (Heartland and Information and Advice Services)

Budget 20 (4 years)	Aim of initiative	Implementation plan and engagement with the sector		Expected impact on service quality	Expected impact on pay equity issues and staff salaries
Received: \$19.8m Sought: s 9(2)(f)(iv) OIA Annual baseline (2019/20): \$1.5m	Provides funding to address the increasing price and demand pressures that services supporting rural and provincial areas have experienced for some time. These providers are often the only way for clients in rural and provincial communities to access a broad range of government and non-government services. This includes: <ul style="list-style-type: none">28 Heartland service centres - a one-stop-shop access to government services and support community/voluntary agencies' service in rural regions.32 Information and Advice providers - deliver a wide range of services, including social and community support, facilitating access to other social services, and running helplines.	Heartlands	Information and Advice	<ul style="list-style-type: none">Will benefit rural communities by developing services that are more fit-for-purpose and more readily respond to their needs.The existing Heartland services will become more sustainable. Information and Advice services will be topped up and, where appropriate, transitioned to other service types (e.g. FV) or refocused to deliver the redesigned rural services.Improved service guidelines, contracting models and feedback loops.	<ul style="list-style-type: none">Will align average Heartlands Coordinator salary to those with comparable positions in the public sector.There may be some positive impact on positions funded through Information and Advice services.
		<i>Funding</i>			
		<ul style="list-style-type: none">2020/21 - focus on increasing service stability through topping up existing Heartland providers to 50% of estimated total cost of service2021/22 - top-up for existing Heartland providers to 75% of estimated total cost of service.	<ul style="list-style-type: none">2020/21 - 2021/22 - existing providers receive a 30% funding top-up to increase service stability.		
		<i>Service improvement</i>			
		<ul style="list-style-type: none">2020/21 - 2021/22 - MSD will engage with Heartlands and Information and Advice providers to redesign and re-focus service delivery to provide more effective rural support services going forward. This may include re-branding the service.2021/22 – Information and Advice services that do not align with new rural services model to be realigned with existing, more appropriate service types (e.g. family violence).2022/23 – 2023/24 – Recommission rural services at 100% of estimated total cost of service and distribute unallocated additional funding according to findings from the review of the effectiveness and redesign. This includes increasing service reach and closing any service gaps identified in the process.			



Budget 20: Implementation plans for social sector initiatives

4. Community Sector National Bodies

Budget 20 (4 years)	Aim of the initiative	Implementation plan and engagement with the sector	Expected impact on service quality	Expected impact on pay equity issues and staff salaries
<p>Received: \$1.9m</p> <p>Sought: s 9(2)(f)(iv) OIA</p> <p>Annual baseline 2019/20: \$0.9m</p>	<p>Provides some funding to address the increasing cost and demand pressures experienced by four community sector national bodies and umbrella organisations funded by MSD.</p> <p>These organisations support community sector providers through training, quality assurance, capability building activities, and the development and dissemination of policies and procedures. They also represent the community sector in their engagement with government.</p>	<ul style="list-style-type: none"> The four bodies - New Zealand Council of Christian Social Services (NZCCSS), Social Service Providers Aotearoa (SSPA), Citizen Advice Bureaux New Zealand and Community Networks Aotearoa (CNA) - will each receive an immediate increase of \$60,000 to their contracts in 2020/21. Remaining 2020/21 funding is contingent upon completing the current review of their services with MSD and agreeing new contracts, including deliverables, reporting and performance measures. The review will clarify mutual expectations between the bodies and their membership organisations as well as the overall value proposition. Additional funding will be allocated to the bodies based on mutually agreed deliverables and performance measures. 	<ul style="list-style-type: none"> Allows the four bodies benefiting from this funding to meet cost pressures and better support their membership's capability building. Benefits up to approximately 300 community organisations, as well as large national organisations such as the Salvation Army and Presbyterian Support. The funding will be linked to agreeing a framework for ongoing engagement across MSD and Oranga Tamariki, and the development of new contract deliverables, reporting, and performance measures. 	<ul style="list-style-type: none"> Allows providers to pay more competitive salaries for staff (capability trainers, analysts, etc) and meet expenses arising from capability building activities (hui, travel, etc).

5. Building Financial Capability

Budget 20 (4 years)	Aim of initiative	Implementation plan and engagement with the sector	Expected impact on service quality	Expected impact on pay equity issues and staff salaries
<p>Received: \$9.7m</p> <p>Sought: s 9(2)(f) (iv) OIA</p> <p>Annual baseline 2019/20: \$13.2m</p>	<p>Provides some funding to address the increasing cost pressures experienced by Building Financial Capability (BFC) core services. Māori and Pacific people, sole parents (often women) and children, are key vulnerable groups experiencing hardship.</p> <p>The BFC service model is effective at improving financial capability and resilience of vulnerable people, especially Māori and Pacific People.</p>	<ul style="list-style-type: none"> In 2020/21 we will aim to increase the stability of the sector through a general funding top up to existing providers of approximately 20% on current contract values. This additional funding reduces the risk of service failure but will not eliminate it. The level of funding for BFC is significantly smaller than that received by other services through Budget 2020. This differentiation between BFC and other services is a risk in reputation with stakeholders. The risk will be mitigated through closely engaging with the sector body (FINCAP) and providers in 2020/21 to co-develop a commissioning strategy for BFC services that addresses the need in communities over the next three to five years. This will include discussions about the level of funding required to address the need. 	<ul style="list-style-type: none"> Reduces the current risk of service failure but won't eliminate it. Due to the limited nature of the additional investment we do not expect improvements in service quality. However, we do expect providers to continue to improve current performance reporting to give us a better picture of service delivery on the ground. Reaches approximately 35,000 clients supported by 131 providers each year. Will require additional funding through future Budgets. 	<ul style="list-style-type: none"> Additional investment is not expected to have a significant impact on staff salaries. Approximately 15 Kahukura/BFC+ staff currently employed by BFC providers (social workers) will not have the 20% pay differential between Oranga Tamariki and NGO social workers restored.

Please note that an additional funding of s 9(2)(f)(iv) OIA over two years is being sought through the COVID-19 Response and Recovery Fund (CRRF) to address increased levels of demand for BFC services expected. The funding would make current service delivery more sustainable and cover additional demand of 50%.

Budget 20: Implementation plans for social sector initiatives

6. Out of School Care and Recreation

Budget 20 (4 years)	Aim of the initiative	Implementation plan and engagement with the sector	Expected impact on service quality	Expected impact on pay equity issues and staff salaries
<p>Received: \$9.6m</p> <p>Sought: s 9(2)(f)(iv) OIA</p> <p>Annual baseline 2019/20: \$19.5m</p>	<p>Provides some funding to address the increase in cost pressures that services providing Out of School Care and Recreation (OSCAR) have been experiencing over six years.</p> <p>OSCAR services allow parents to gain and maintain meaningful employment or undertake further education and training, whilst supporting children's wellbeing and educational attainment.</p>	<ul style="list-style-type: none"> Of the expected additional funding 50% will be available from 2020/21 to providers in low socio-economic areas or providers who can demonstrate that their clients are predominately low income. The remaining 50% will be allocated from 2020/21 as a universal uplift for all current providers. This will also benefit providers in low socio-economic areas, as well as those providers who service low income families living in higher income areas. No consultation process with providers is required and additional funding will be added to existing contracts. 	<ul style="list-style-type: none"> Reduces the current risk of service failure (but won't eliminate it completely). Provides a targeted uplift for services in low socio-economic areas. Will help reduce providers need to raise fees or reduce services. However, the funding is not expected to lead to an increase in service quality. Benefits over 52,000 children across New Zealand currently accessing OSCAR services. Will require additional funding through future Budgets as funding currently not CPI indexed. Also, not all OSCAR provides are currently funded by MSD. 	<ul style="list-style-type: none"> There are no current pay equity issues for this service. Additional investment is not expected to have a significant impact on staff salaries.



MINISTRY OF SOCIAL
DEVELOPMENT
TE MANATŪ WHAKAHIAO ORA

Report

Date: 21 May 2020

Security Level: IN CONFIDENCE

To: Hon Carmel Sepuloni, Minister for Social Development

Budget 20 cost pressure and COVID-19 recovery funding implementation plan

Purpose of the report

- 1 This report updates you on sector feedback and implementation arrangements for Budget 2020 and COVID-19 recovery funding.

Recommended actions

It is recommended that you:

- 1 **note** the contents of this report.

Marama Edwards
Deputy Chief Executive Māori Communities and Partnerships

21 May 2020

Date

Hon Carmel Sepuloni
Minister for Social Development

02 JUN 2020

Date

Background

- 2 On 1 May 2020 we provided you with a report outlining the implementation plan for the Budget 2020 Cost Pressures [REP/20/04/0456 refers].
- 3 Due to the tight timeframes connected to the COVID budget process we were not able to provide you with implementation planning prior to Budget day for the Community Wellbeing COVID recovery package. As such this report summarises all funding through Budget 2020 and all high-level implementation plans. It also provides an update on the promotion of the package and highlights some of the sector feedback.

Budget 20 Cost Pressure initiatives

- 4 Budget 20 has provided an additional s 9(2)(f)(iv) OIA in MSD-funded community-based social services. s 9(2)(f)(iv) OIA
- 5 Most of the additional funding s 9(2)(f)(iv) OIA) addresses known cost pressures for support services for those experiencing and perpetrating family violence, disabled people, and services for rural communities. This includes departmental funding to bolster MSD's capability to engage and work with the family violence and rural services sectors¹.
- 6 A total of \$21.220 million over four years provides immediate support to Out of School Care and Recreation (OSCAR) services, Building Financial Capability (BFC) services and community sector national bodies.
- 7 Budget 20 builds on investments made in Budget 18 and Budget 19 as follows:
 - \$76.5 million over four years from Budget 18 invested in MSD-funded family violence services to stabilise providers and fill gaps in service delivery, which lead to the implementation of the Whānau Resilience approach in 2019/20.
 - \$90.3 million over four years from Budget 19 to more sustainably fund specialist sexual violence services.
 - \$24.9 million over four years from Budget 19 to provide a general uplift of 3.75 percent in baseline funding to MSD-funded community-based social services.
- 8 Budget 20 is an important step towards building the sustainability and effectiveness of MSD-funded services for those experiencing and perpetrating family violence, disabled people, and services for rural communities. These services were prioritised in Budget 20 as they have a high proportion of social workers (and equivalent workforce) or have experienced significant under investment over some time.
- 9 MSD also received a total of \$179 million through Budget 2020 for COVID-19 response and recovery. This funding is time limited and seeks to address immediate

¹ Approximately \$2.5 million of funding per year for MSD to build capability and capacity to conduct sector engagement, service development and design, and improve performance monitoring.

needs over the next two years as part of the response to and recovery from the impacts of COVID 19.

- 10 A table summarising all funding is attached as Appendix One.

Building Financial Capability (BFC)

Ensuring continued access to building financial capability (BFC) services \$9.7 million

- 11 This funding will provide additional funding to address cost pressures for BFC providers through a general funding top up of approximately 20% on current contract value- this is estimated to allow them to continue to support the 35,000 clients they help each year.

Building Financial Capability implementation

- 12 Providers will know by 31 May 2020 what their financial allocation is for at least the 2020/21 year. We will aim to increase the stability of the sector through a general funding top up to existing providers of approximately 20% on current contract values.

Family Violence Funding

Cost pressure: Ensuring continued access to specialist services for victims of family violence \$142 million

- 13 This will address personnel-driven cost pressures for refuges and services for victims and survivors of family violence by supporting 150 current providers. Over 24,000 victims and survivors and their family/whānau are expected to benefit (based on currently contracted volumes).

Cost Pressure: Ensuring continued access to response services for victims of elder abuse \$25 million

- 14 This will address personnel-driven cost pressures for 27 current providers of elder abuse response services which are predominantly delivered by social workers and nurses. Around 4,000 clients are expected to benefit from this service (slightly more than currently contracted with providers).

Cost Pressure: Ensuring continued access to specialist services for perpetrators of family violence \$16 million

- 15 This will address personnel-driven cost pressures faced by 38 current providers of services for perpetrators of family violence, including services by Māori for Māori. This is expected to benefit over 1,500 clients each year.

Family Violence implementation

- 16 Providers will know by 31 May 2020 what their financial allocation is for at least the 2020/21 year.
- 17 With the exception of Women's Refuges, we will provide an initial funding top up valid for the period of the three-year contracts (no automatic increases in second and third year)
- 18 Over the same period MSD will conduct significant engagement with the sector on service design and the development of new service guidelines. This will build on the work completed to date. The additional funding becoming available in 2021/22 and 2022/23 will be allocated based on results of the service design and guideline

development process. Following this there will be new five-year contracts starting in 2023/24.

- 19 For Women's Refuges in 2020/21 we will implement new three-year contracts with year-on-year funding increases. The contracts include a funding model based on MSD's engagement with the refuge sector over the last year.
- 20 MSD will continue to work with the refuge sector to refine and implement improved service guidelines over the contracted period with new five-year contracts starting in 2023/24.

Out of School Care and Recreation (OSCAR)

Cost pressure: Continued viability of out of school care and recreation service providers \$9.6 million

- 21 This funding will address the increase in cost pressures that services providing OSCAR have been experiencing over the last six years, benefitting more than 51,000 children across New Zealand currently accessing OSCAR services.

OSCAR implementation

- 22 Emails have been sent to all funded providers informing them on the funding increase from 1 July 2020, which is an additional \$2,000 per annum top up for programmes in low socio-economic areas and 6% increase to core programme funding.
- 23 Key stakeholders have been contacted and contract variations for 1 July are currently being prepared.

Heartlands

Cost pressure: Improving access to support services for communities in regional NZ (Heartlands) \$19.8 million

- 24 This initiative aims to increase access to government and non-government services in rural communities by addressing increasing price and demand-driven cost pressures for 28 Heartland service centres (a one-stop-shop access to government services and support community/voluntary agencies' service in rural regions), and 32 Information and Advice providers (delivering a wide range of services, including social and community support).

Heartlands implementation

- 25 Over the next 12 months MSD will engage with Heartlands and Information and Advice providers to redesign and re-focus service delivery to provide more effective rural support services going forward. This may include re-branding the service.
- 26 Providers will know by 31 May 2020 what their financial allocation is for at least the 2020/21 year.
- 27 For the 2020/21 year, we will focus on increasing service stability by topping up existing Heartland providers to 50% of estimated total cost of service and in the second year, we will top-up for existing Heartland providers to 75% of estimated total cost of service.
- 28 For information and advice services in the 2020/21 - 2021/22 years, existing providers receive a 30% funding top-up to increase service stability.

- 29 In 2021/22 information and advice services that do not align with new rural services model to be realigned with other, more appropriate service types (e.g. family violence).
- 30 In 2022/23 – 2023/24 MSD will recommission rural services at 100% of estimated total cost of service and distribute unallocated additional funding according to findings from the review of the effectiveness and redesign. This includes increasing service reach and closing any service gaps identified in the process.

Disability Services

Cost pressure: Keeping community-based services open for disabled people \$43.3 million

- 31 This initiative provides funding to address the increasing cost pressures experienced by community-based services for disabled people, benefitting around 9,500 people accessing community participation services, through 144 providers at any point in time.

Disability services implementation

- 32 Emails have been sent to all funded providers informing them on the funding increase from 1 July 2020, which is a 6% increase to core programme funding in both of the next two years, in which time a service funding model will be developed with the sector.
- 33 Key stakeholders have been contacted and contract variations for 1 July are currently being prepared.

Strengthening capability of social sector providers

Cost pressures: Strengthening capability of social sector providers \$1.9 million

- 34 This provides funding to address some of the increasing cost and demand pressures experienced by four Community Sector National Bodies currently funded by MSD: New Zealand Council of Christian Social Services, Social Service Providers Aotearoa, Citizen Advice Bureaux New Zealand and Community Networks Aotearoa.

Strengthening capability of social sector providers implementation

- 35 The four bodies - New Zealand Council of Christian Social Services (NZCOSS), Social Sector Providers Aotearoa (SSPA), Citizen Advice Bureaux New Zealand and Community Networks Aotearoa (CAN) - will each receive an immediate increase of \$60,000 to their contracts in 2020/21.
- 36 The remaining 2020/21 funding is contingent upon completing the current review of their services with MSD and agreeing new contracts, including deliverables, reporting and performance measures.
- 37 The review will clarify mutual expectations between the bodies and their membership organisations as well as the overall value proposition. Additional funding will be allocated to the bodies based on mutually agreed deliverables and performance measures.

Budget 2020 COVID-19 recovery funding

Food Security

COVID-19: Providing support for foodbanks, food rescue and community food services in the COVID-19 recovery \$32 million

- 38 The funding will respond to the increase in demand for food through foodbanks and other food service providers as a result of COVID-19. This will include funding for a new bulk food distribution network – 'New Zealand Food Network' and support for food banks and other providers, resulting in an estimated 21 million additional meals each year being delivered through these providers.

Food Security implementation

- 39 Starting from June 2020, Foodbanks and other organisations will receive contributory funding to meet the increased demand for food from people, families and whānau in their community for a two-year period.
- 40 Detail on the funding available will be on the MSD website approximately a week following budget announcements with the ability for organisations to enter an Expressions of Interest.
- 41 Civil Defence Emergency Management will retain responsibility for food supply in the interim with the application process for grant funding from MSD to be published by the end of May 2020.
- 42 To help ensure that foodbanks have sufficient food, MSD is also supporting three national level organisations:
- the New Zealand Food Network: a bulk food storage and distribution network where companies can donate surplus food which is then distributed around the country to meet foodbank's and food rescue organisation's orders for food.
 - Kore Hiakai Zero Hunger Collective to strengthen the capability of foodbanks and other community food services;
 - A national food rescue alliance to build the capacity of the food rescue sector.
- 43 These organisations will have grant funding available from 1 July 2020. Both the New Zealand Food Network and Kore Hiakai have received interim funding from MSD.

Provider Resilience

COVID-19: Investing in the resilience and recovery of providers affected by COVID-19 \$22 million

- 44 The funding in response to COVID-19 invests in the capability and resilience of our providers so they are able to effectively respond to the need in their communities and establish strong health and safety resources and processes.

Provider resilience implementation

- 45 We will notify providers by the end of May about the criteria, assessment and approval process. We expect to confirm providers who will be eligible for support by mid-June 2020 and be undertaking provider capability assessments by early July 2020.

Community Resilience

COVID-19: Investing in the resilience and recovery of communities affected by COVID-19 \$36 Million

- 46 This initiative supports communities to enhance their wellbeing through connectedness and social cohesion utilising Grants for community groups. These community groups are different to traditional providers, rather they are made up of a cross-section of the local community, and public or population-based interest groups. This fund will build on the success of the Community Awareness and Preparedness Grant Fund which resulted in over 900 grants to groups across New Zealand.

Community resilience implementation

- 47 We will notify people by the end of May when the applications for the new grants will open, along with when the revised criteria and when the new application and approval process information will be ready. We expect to be assessing grant applications by mid-June 2020.

Building Financial Capability

COVID-19: Boosting building financial capability services to assist the recovery of individuals and whānau impacted \$25.2 million

- 48 This initiative provides support for people experiencing or at risk of experiencing hardship as a result of COVID-19 by strengthening the sustainability of 131 existing BFC services and ensuring they can respond to anticipated increases in demand.

Building Financial Capability implementation

- 49 The funding over two years is for:
- Financial Mentoring – one-to-one support empowering people to achieve their goals, including reducing debt and connecting to support they may need.
 - MoneyMates – peer-led support for people to learn and share together as a group.
 - Building Financial Capability Plus (Kahukura) service – intensive support for people who are hard to reach or with complex needs.
 - Micro-finance services – affordable credit to people at risk of unsustainable debt and hardship.
- 50 Following your provider announcement on Thursday 21 May 2020, we will work with providers to ensure that they understand the amount of additional funding they are receiving. We will confirm this by letter by 31 May 2020.

Family Violence

COVID-19: Responding to increased demand for Family Violence Services \$8.6 million

- 51 This initiative will provide one-off grants for approximately 200 family violence providers to increase their capacity so they can respond to the expected increase in demand due to COVID-19 and continue to operate within the COVID-19 restrictions. This includes services for victims, perpetrators and elder abuse.

Family Violence implementation

- 53 Options for Implementation are currently being considered with a focus on getting support to those who need it most in the short to medium term and streamlining processes for providers is being prioritised in our planning. Providers who are to receive grant funding will be notified by 30 June 2020 at the latest.

Building Maori Partnerships – Te Hiku and Tuhoe

COVID-19: Building Māori partnerships to strengthen social and economic wellbeing \$10 million

- 54 Funding will support the work of Te Hiku Iwi-Crown Joint Work Programme and the Tuhoe Service Management Plan.

Building Maori Partnerships implementation

- 55 We can confirm that we have notified Te Hiku and Tuhoe. The funding for Te Hiku will be incorporated into the long-term agreement, which is due to be agreed mid-June 2020. Discussions with Tuhoe will be held to agree the implementation approach for the service management plan.

Community Connectors

COVID-19: Community connection services for high and complex needs clients \$41.2 million – not yet announced as at 21 May 2020

- 56 This initiative provides connection services and direct support to whanau with high and complex needs by investing in 125 Community Connector positions into the community enabling whanau (particularly those located in rural or isolated areas) to access information and services.

Community Connectors implementation

- 57 We are working to identify the geographical placement of these FTE. The need for these services was also identified through the National Welfare Co-ordination Group. We have worked alongside this group, to support a stocktake across agencies, of services that have this type of wholistic navigation role. This will be a key tool for MSD as we work with our partners to determine where in New Zealand, we should allocate the 125 approved Community Connector roles.
- 58 We will notify providers by the end of May about the criteria, assessment and approval process. We expect to confirm providers who will be allocated an FTE by mid-June 2020 and complete procurement process by end-June 2020.

Promotion of the package as a whole

- 59 On Saturday 16 May 2020 MSD wrote to all providers through a special edition of Kotahitanga, this highlight key elements of the package. A copy of this communication is attached as Appendix Two.

- 60 We are currently exploring options for meeting with provider groups both nationally and regionally to explain further the details of the initiatives and in some instances how funding can be accessed. We will look to schedule activity post the release of the final two embargoed initiatives, these being, the s 9(2)(f)(iv) OIA and the Community Connectors.

Sector feedback

- 61 There has been some feedback from services, where MSD is only one of the Government agencies, they receive funding from, that they would have hoped for further commitments.
- 62 Overall however, provider feedback about both the cost pressures and the COVID 19 related budget funding has been extremely positive. Our team has reported that people within the organisations are presenting as both elated and relieved at the support they have to build capacity and capability, particularly at this time.
- 63 Below are some of the comments that the team have received following the announcements.

Your continued priority of supporting Disabled People and their whanau through the EGL principles is I believe making a real difference to how many New Zealanders are able to lead their lives each and every day. As always, we welcome any opportunity to support your mahi in this space, and really value your open, trusting and practical way of engaging with us.

s 9(2)(a) OIA

I just wanted to send a brief note of thanks for all the work you have put into the Food insecurity space over recent months and weeks. I know you carry the same passion we do to see more resilient communities that can thrive with a flourishing food system that benefits all.

s 9(2)(a) OIA

To see OSCAR actually recognised in this year's budget does give us some satisfaction that our effort to raise the profile of the sector is having an effect. We are very appreciative of your willingness to engage with the sector, learn about our challenges and advocate for a funding direction that puts support where it is needed. Thank you for what you have done for OSCAR - we are sure it required some determined effort at your end.

s 9(2)(a) OIA



Noala

15 hrs

This is a big shout out to one of our strategic partners Ministry of Social Development NZ for your support of Noala. We know you and your workforce have been working tirelessly over the Covid-19 lock down period supporting whanau through this time. We thank you. #appreciation

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Appendix One – Summary of Budget 20 funding (cost pressure and COVID-19 response and recovery)

Announced funding	Baseline	Extra Funding (per year) \$m					
		19/20	20/21	21/22	22/23	23/24	Total
COVID-19: Boosting building financial capability services to assist the recovery of individuals and whānau impacted	13.200	0	11.402	13.810	0	0	25.212
Cost pressure: Ensuring continued access to building financial capability services		0	2.425	2.425	2.425	2.425	9.700
COVID-19: Responding to increased demand for Family Violence Services	(see three below)	0	7.100	2.500	0	0	8.600
Cost pressure: Ensuring continued access to specialist services for victims of family violence	27.900	0	17.000	34.000	42.000	49.000	142.000
Cost Pressure: Ensuring continued access to response services for victims of elder abuse	3.00	0	2.500	5.000	7.500	10.000	25.000
Cost Pressure: Ensuring continued access to specialist services for perpetrators of family violence	2.300	0	2.500	3.500	5.000	5.000	16.000
COVID-19: Providing support for foodbanks, food rescue and community food services in the COVID-19 recovery	0.00	2.000	15.000	15.000	0	0	32.000
COVID-19: Investing in the resilience and recovery of providers affected by COVID-19	0	0	15.000	7.000	0	0	22.000
COVID-19: Investing in the resilience and recovery of communities affected by COVID-19	0	0	18.000	18.000	0	0	36.000

Announced funding	Baseline	Extra Funding (per year) \$m					
		19/20	20/21	21/22	22/23	23/24	Total
Cost pressure: Continued viability of out of school care and recreation service providers	2.400	0	2.400	2.400	2.400	2.400	9.600
Cost pressure: Improving access to support services for communities in regional NZ	2.078	0	2.078	3.446	7.122	7.122	19.768
Cost pressure: Keeping community-based services open for disabled people	5.166	0	5.166	10.332	11.167	16.635	43.300 (Op)
Cost pressures: Strengthening capability of social sector providers	0.480	0	0.480	0.480	0.480	0.480	1.920
Not yet announced	Baseline	Extra Funding (per year) \$m					
		19/20	20/21	21/22	22/23	23/24	Total
s 9(2)(f)(iv) OIA							
COVID-19: Building Māori partnerships to strengthen social and economic wellbeing	0	0	5.000	5.000	0	0	10.000
s 9(2)(f)(iv) OIA							
COVID-19: Community connection services for high and complex needs clients	0	0	20.625	20.625	0	0	41.250

Appendix Two – Kotahitanga e-newsletter



Sector update Budget 2020

Kia ora koutou

On Thursday 14 May, the Government announced the 2020 Wellbeing Budget with a focus on rebuilding together as New Zealand faces COVID-19.

Social services are critical to wellbeing and they have been vital in keeping communities safe and resilient during New Zealand's COVID-19 response. The significant investment in this year's Budget for the community and NGO sector will support this important work to grow and continue.

Here are some highlights for the NGO and community sector:

- A \$79 million funding boost for social service providers supporting whānau and communities through COVID-19. This includes among others initiatives:
 - \$32 million over two years to increase support for foodbanks, food rescue and other community food services to leverage surplus donated food from producers, manufacturers and suppliers that would otherwise go to landfill. We are already underway with this work using partnerships to bolster food security.
 - \$25 million extra funding for all 131 budgeting services so they can respond to increasing demand for their services.
 - \$22 million investment in the capability and resilience of our providers so they are able to effectively respond to needs in their communities and establish strong health and safety resources and processes.
- A \$36 million fund to support community groups to respond directly to COVID-19 and its impacts, with a particular focus on those who are from Māori, Pacific and migrant communities.
- \$183 million to support MSD-funded specialist family violence services for victims/survivors and perpetrators of family violence, including elder abuse.
- \$43 million to address the increasing cost pressures experienced by community-based services for disabled people.
- \$9.6 million to address the increase in cost pressures that services providing Out of School Care and Recreation (OSCAR) have been experiencing over the last six years.

More information about the full package for the NGO and community sector will be released in the days and weeks ahead.

We're committed to supporting and working closely with our partners to make the most of this year's significant investment.

I would like to convey my sincere thanks for the work you do to support communities across New Zealand.

While COVID-19 is putting enormous pressure on individuals and communities, it's also creating opportunities for sector and government partners to innovate and rebuild, better.

Mauriora

Marama Edwards

Deputy Chief Executive
Maori, Communities and Partnerships Group
Ministry of Social Development