

The Treasury

COVID-19 Information Release

April 2020

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- [25] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [29] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
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In Confidence

Office of the Minister of Finance

Office of the Minister for Social Development

Office of the Minister for Workplace Relations and Safety

Chair, Cabinet Business Committee

Establishing an Essential Workers Leave Support Scheme

Proposal

1. This paper proposes establishing an Essential Workers Leave Support Scheme to support essential business employees to take leave from work to comply with public health guidance.

Executive Summary

2. At a COVID-19 Alert Level 4, some essential workers need to stay away from work for public health reasons. As essential businesses can remain open, many of them may not experience a 30 per cent revenue drop to qualify for the Wage Subsidy scheme.
3. Not all workers in essential businesses will be in this position, but for those who are, it is a significant problem as there are strong incentives to keep working against public health advice, if they do not receive an income while self-isolating. For some workers this could be for the duration of the lockdown and possibly beyond.
4. Key features of the Essential Workers leave support scheme are as follows:
 - 4.1 The scheme includes a light touch hardship threshold to discourage essential services employers from applying when they do not need support to provide adequate paid leave. This has been calibrated to try to dissuade egregious applications, but not the employers that legitimately need assistance to support essential workers to take paid leave.
 - 4.2 A four weekly payment structure that balances the need to limit cases where support is provided longer than necessary, against the implementation burden regular reapplications place on the Ministry of Social Development.
 - 4.3 The scheme will be available for at least the period while the nation is at Alert Level 4 public health restrictions. Ministers will need to consider how long the scheme should be available after this period (some employees are likely to need to remain on leave even after the Level 4 restrictions are lifted). As part of this, the scheme will be reviewed after 8 weeks of being open to ascertain levels of uptake and future need.
5. Like the previous COVID-19 leave scheme, this scheme will not be available for state sector employers. However, it will be available for funded workforces (such as

businesses that provide community health care) that are not employed in the state sector. I understand the Minister of Health is currently considering what entitlements the health workforce should receive with respect to leave for COVID-19. Those decisions and this scheme may need to be amended in future to ensure complementarity between the schemes, and avoid risk of 'double dipping'.

Background

6. On 16 March 2020 Cabinet agreed to establish a financial assistance scheme to compensate and incentivise workers to self-isolate to help manage the spread of the COVID-19 virus in New Zealand [CAB-20-MIN-0105 refers]. The scheme provided a payment equal to the Wage Subsidy scheme for a period of 14 days (or for the full duration of recovery for infected workers), and eligibility was open to all firms, the self-employed, contractors, and for workers unable to work from home.
7. Alongside this scheme, Cabinet also established a temporary COVID-19 Wage Subsidy to help affected employees and business to adjust to the impact of COVID-19 [CAB-20-MIN-0108 refers]. Employers were *only* eligible for the subsidy if they suffered revenue loss of at least 30 per cent which was attributable to the COVID-19 outbreak.
8. On 27 March 2020 delegated ministers agreed to simplify worker-related financial assistance by collapsing the Leave Scheme into the Wage Subsidy scheme. This is anticipated to cover most non-Essential Service organisations.
9. The practical effect is that this leaves a gap in support for Essential Businesses still in operation that *have not experienced* a 30 per cent reduction in revenue, but may be placed under financial stress in supporting workers who need to stay away from work as a result of COVID-19 and who cannot work from home, or may not be amenable to funding leave in addition to employees' accrued entitlements.
10. Delegated ministers agreed that further work be undertaken to support employees in this situation, and that Ministers of Finance and Social Development would report to CVD on this as soon as possible.

Essential workers risk not being supported when they are required to stay away from work for public health and cannot work from home

10. There are three groups that are of particular concern. These include workers in essential businesses who:
 - 10.1 are particularly at higher risk if they contract COVID-19 who, in accordance with Public Health guidance, are recommended to stay home for the duration of the lockdown (and potentially longer) – for example, a supermarket worker over the age of 70 or a person who has a compromised immune system.
 - 10.2 come into contact with someone who has contracted the virus (or have contracted the virus themselves) who, in accordance with Public Health guidance, are required to self-isolate for 14 days – for example a worker identified as possibly infected through contract tracing.

- 10.3 have household members who are particularly at higher risk if they contract COVID-19 and need to stay away from work for the duration of the lockdown (and potentially longer) to reduce the risk of transmitting the virus to that household member – for example a worker with a family member who is immunosuppressed following chemotherapy.
11. Some essential businesses may be able to absorb the cost of continuing to pay these workers while they stay away from work.
12. However, other employers may be less able, or less willing to do so without meeting the 30 per cent drop in revenue *required* to be eligible for the Wage Subsidy. This may for example include small employers whose revenue may remain static but who would be unable to meet replacement labour costs if their staff need to stay away from work and cannot work from home.
13. If workers in either of these groups cannot work from home, have exhausted their leave entitlement, and/or do not have income assurance, they may feel pressured to work against public health advice or find themselves with no income.
14. Not all Essential Business workers will be in this position, but for those who are it is a significant problem as they could be left without income for at least the duration of the lockdown, and possibly beyond. This encompasses broader situations than the original COVID-19 Leave scheme, which was only designed for self-isolation when there had been a potential transmission (or caring for a dependent in this situation).

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Considerations for an Essential worker leave support scheme

16. The primary objectives of the proposed scheme are to
- 16.1 support essential workers to stay away from work when necessary for Public Health, and prevent these workers returning to work against Public Health guidance because they need a source of income;
 - 16.2 ensure that Essential workers feel valued and are not worse off than people who are being supported through the wage subsidy scheme, while they expose themselves to risk on our behalf;
 - 16.3 ensure that employers that can afford to shoulder the costs of providing paid leave for these employees are doing so; and
 - 16.4 preserve the employment relationship so the economy can recover quickly from the Alert Level 4 restrictions.

17.

18. These objectives also apply when thinking about essential businesses who may not be eligible for the Wage Subsidy scheme as many essential businesses will see increased cost pressures that may drive them to reorganise (by, for example, reducing the numbers of people in their workforce who are more medically at higher risk if they contract COVID-19).


19. In advising on this issue we have also considered that:

- 19.1 some Essential Business workers are being placed at high risk of infection and transmission due to their close and repeated interactions with members of the public;
- 19.2 there is some uncertainty about when leave will be required for Essential Business workers;
- 19.3 the Ministry of Social Development (MSD) is already under considerable burden administering the Wage Subsidy scheme. Any new assistance offered through the MSD systems should limit the implementation burden; and
- 19.4 the situation is moving at pace and any scheme implemented needs to be able to change and adapt quickly as the epidemic progresses.

Key features for an Essential worker leave support scheme

20. The COVID-19 essential worker leave support scheme we propose for addressing these issues has the following key features:

- 20.1 This scheme would provide payments to employers of Essential Business workers only;
- 20.2 Essential services employers will be eligible to apply for under the scheme when the employee has advised the employer that they meet one of the following circumstances:
 - 20.2.1 are deemed at higher risk if they contract COVID-19, and as such should self-isolate for the duration of the lockdown (and potentially longer);
 - 20.2.2 come into contact with someone who has contracted the virus (or have contracted the virus themselves) and, in accordance with Public Health guidance, are required to self-isolate;
 - 20.2.3 have household members who are deemed at higher risk if they contract COVID-19 and need to stay away from work for the duration of the lockdown (and potentially longer) to reduce the risk of transmitting the virus to that household member; and

- 20.2.4 any other group of essential services workers identified by the Minister of Finance, Minister of Social Development and Minister for Workplace Relations and Safety and reported back to CVD.
- 20.3 Employers of essential workers will be entitled to a flat rate of:
- 20.3.1 \$585.80 per week (gross, before tax) for each full-time worker (where they usually worked greater than or equal to 20 hours before COVID-19 impacted);
- 20.3.2 and \$350.00 per week (gross, before tax) for each part time worker (where they usually worked fewer than 20 hours before COVID-19 impacted);
- 20.4 Employers accessing the scheme should pay the workers they are claiming for at either:
- 20.4.1 a minimum of the full subsidy, if the workers' usual income before COVID-19 exceeds the relevant subsidy rate, and in that case also make best endeavours to pay at least 80 percent of the workers' usual income before COVID-19; or
- 20.4.2 their usual income before COVID-19, if this is less than the relevant subsidy provided.
- 20.5 Employers must use any surplus funding from the leave payments provided in respect of workers that usually earn less than the full subsidy rate (as in paragraph 20.4.2 above), to fund any other workers wages;
- 20.6 Essential workers must stay in employment for the 4 week duration of the subsidy, unless the worker voluntarily ends the employment relationship;
- 20.7 Employers will not be able to claim this leave subsidy and the wage subsidy for the same employee at the same time; and
- 20.8 Nothing in the scheme will override an employer's legal obligations.
21. In order for this scheme to work in practice, it will require employers and employees to work together to identify those who need to take up the scheme to ensure public health objectives are met.
22. ³⁴ 
23. These settings align with the original COVID-19 Leave scheme and the Wage Subsidy scheme where feasible, to ease implementation and communication of the scheme.

A hardship test for employers of essential workers

24. A key difference from the original COVID-19 Leave scheme (that was designed for the level 2 restrictions) to make the scheme fit-for-purpose for the current situation is that we have included a hardship test for the employers to discourage essential businesses from applying when they do not need support in order to provide adequate paid leave.
25. We propose that all essential businesses should be encouraged to support employees to take special leave where they are advised to under public health guidelines, and should only be eligible to receive this support for paying employees to take leave where the essential business has:
- 25.1 experienced a 30 per cent revenue loss attributable to COVID-19, or
 - 25.2 had their ability to support employees, who are at higher risk if they contract COVID-19 and need to take leave, negatively impacted by the COVID-19 public health restrictions.
26. This has been calibrated to try to dissuade egregious applications, but not the employers that legitimately need assistance to support essential workers to take paid leave, but also prevents essential businesses from accessing both schemes simultaneously. For example, many employers that provide products in high-demand due to COVID-19 (such as most supermarkets) would likely not meet the revenue test because they will be experiencing increased profits throughout this period. However, the addition of the second criteria/rule ensures the scheme is flexible enough to limit unintentionally carving out support for those that do need it.
27. We expect that employers that do not qualify for this scheme because they are making significant profits through their role as an essential service provider at this time will come under additional public pressure to do the right thing and support employees who are at higher risk if they contract COVID-19. However, if this does not occur, then there is a risk that their employees go to work against public health advice or go on to a benefit in order to maintain an income.

Payment structure

28. Another key difference from the original COVID-19 leave scheme is that we propose amending the payments to be 4-weekly (rather than fortnightly as per the original scheme). At the end of each 4 week period, the essential services employer will need to reapply if the employee still needs to remain away from work.
29. This provides adequate cover for all three groups identified as needing support (see paragraph 10), whilst also targeting the subsidy payments to contain fiscal risk. Amending the payments to be 4-weekly will reduce the amount of repeat applications under this scheme by half, and therefore ease the operational burden on MSD.

Implementation

30. MSD advise that it would take a couple of days to implement this scheme once decisions have been made. MSD would have to create the essential business leave payment scheme by leveraging off the original Covid-19 Leave scheme system, as well as make changes to MSD guidance and communications.

31. This will impose greater burden on MSD processing and likely delay other payments and processing enhancements (e.g. automation) under the wage subsidy scheme. In particular, the burden arises from essential businesses having to re-apply for the subsidy every 4 weeks if their worker(s) continue to need to stay away from work.
32. MSD will prepare a declaration that asks employers to confirm that their employees have advised they meet the eligibility criteria. MSD will use a process that includes checking if there have been any previous applications and confirming certain application details with Inland Revenue (such as the IR number and business name) for checking information in the application. [REDACTED]
[REDACTED] 34. Auditing will be undertaken, drawing on information held by other agencies where feasible.
33. We expect that this scheme may need to continue to operate beyond the period of the lockdown. We will advise you at a later point of the wind-down and transition plans.
34. IRD and MSD continue to work together to explore improvements to the administration of these schemes, as well as working together on automation and audit.

Financial Implications

35. As with the original COVID-19 Leave scheme, there is a very high level of uncertainty in this estimate due to uncertainty in the number of staff continuing to work on the premises of essential services, the proportion of these in high-risk groups for COVID-19, and the financial position of essential services employers. The Treasury has prepared cost models for two scenarios:
- 35.1 Scenario 1: Full uptake (\$280 million for 12 weeks)
- 35.2 Scenario 2: Less than full uptake (\$100 million for 12 weeks)
36. **Scenario 1:** In a full uptake case no Essential Business meet the eligibility criteria for the wage subsidy. All Essential Businesses apply to the Essential Workers Leave Support Scheme for affected staff.
37. **Scenario 2:** In a less than full uptake model 50 per cent of Essential Businesses experience a 30 per cent drop in revenue and are therefore eligible for the wage subsidy and ineligible for the leave scheme. Then only 80 per cent of businesses eligible to apply for the Essential Workers Leave Support Scheme do apply for the scheme.
38. In the absence of being able to accurately forecast the level of transmission of the virus in the coming weeks, and the proportion of Essential Workers who are at higher risk if they contract COVID-19, officials have instead applied the following assumptions to both of the cost models:
- 38.1 Of the 370,000 staff currently working in Essential Services outside of the public sector:

- 38.1.1 25 per cent will be able to work from home, leaving 278,000 employees on work premises during this period, and
- 38.1.2 15 per cent of the workforce have to stay away from work, because they are in a high-risk group or have a high-risk person in their household.
- 38.2 Essential Business workers who are sick or exposed to COVID-19, or caring for a sick dependent, form only a fraction of the workforce in this period (based on an assumption of only a few thousand cases in New Zealand).
- 39. Restricting eligibility for the essential workers leave scheme to those who are not already receiving the wage subsidy means the risk of 'double dipping' has been limited.

Obligations of Employers under the Health and Safety at Work Act 2015 (HSWA)

- 40. To meet their primary duty of care under HSWA, businesses must eliminate, and if they can't eliminate then minimise, work health and safety risks so far as is reasonably practicable. For a worker who has been identified as being at high risk by public health guidance if they carry out their work, ideally the business would need to eliminate the risk for that worker where they can, for example by having the worker work from home or in a way that does not bring them into contact with others.
- 41. The business should discuss the controls they put in place with their affected workers and the Health and Safety representatives. If the business does nothing to eliminate or minimise the risk to these workers, then they may be found in breach of their duties under the HSWA.

Consultation

- 42. MSD, IRD, and MBIE have been consulted. The Department of Prime Minister and Cabinet has been informed.

Communications

- 43. The Minister of Finance will announce the new scheme.

Proactive Release

- 44. We will consider proactive release of this paper

Recommendations

The Minister of Finance, the Minister for Social Development and the Minister for Workplace Relations and Safety recommend that Cabinet:

- 1. **note** that on 16 March 2020 Cabinet agreed to the COVID-19 Business and Worker Support package, which included subsidies of \$585.80 per week for full time workers (20 or more hours per week) and \$350 for part time workers (less than 20 hours per week) across two schemes:

- 1.1 a COVID-19 Leave Scheme to compensate workers for a period of 14 days (or for the full duration of recovery for infected workers), and to incentivise workers to self-isolate to help manage the spread of the COVID-19 virus in New Zealand. Eligibility was open to all firms, the self-employed, contractors, and for workers unable to work from home [CAB-20-MIN-0105 refers]; and
- 1.2 a 12-week wage subsidy scheme to provide financial support to businesses adversely affected by COVID-19 [CAB-20-MIN-0109 refers];
2. **note** that on 27 March 2020, delegated ministers agreed to simplify worker-related financial assistance by collapsing the Leave Scheme into the Wage Subsidy scheme. The modifications:
 - 2.1 folded the previous COVID-19 Leave Scheme into the wage subsidy scheme because the original leave scheme was designed when few people were in self-isolation, and it was no longer fit for purpose;
 - 2.2 support employers and workers to maintain a connection, and to ensure workers receive a wage during the COVID-19 Alert Level 4 shutdown;
 - 2.3 prevent employers from accessing the initial wage subsidy and COVID-19 leave schemes simultaneously (i.e. preventing double dipping);
 - 2.4 limit eligibility to businesses that have experienced a minimum 30 per cent decline in actual or predicted revenue over the period of a month, when compared with the same month last year, and that decline is related to COVID-19;
 - 2.5 do not ensure eligibility of essential businesses to receive subsidies in relation to workers taking leave in accordance with public health advice;
3. **note** that on Friday 27 March, Cabinet agreed that further work be undertaken to support the situation of workers in essential businesses who need to self-isolate or take sick leave as a result of COVID 19, and that Ministers of Finance and Social Development would report to CVD on this as soon as possible;

An essential worker leave support scheme

4. **note** that an essential worker leave support scheme will address the following emerging issues:
 - 4.1 the Wage Subsidy scheme as modified does not ensure eligibility of essential businesses to receive subsidies in relation to workers taking leave in accordance with public health advice;
 - 4.2 some essential business workers are being placed at high risk of infection and transmission due to their close and repeated interactions with members of the public;
 - 4.3 the key objective of providing financial assistance to workers in essential businesses is to reduce disincentives for essential businesses workers to self-

isolate when they need to do so and support those who are unable to work to have an income; and

- 4.4 there is some uncertainty about the duration of self-isolation required for essential business workers.
5. **agree** to create a COVID-19 essential worker leave support scheme for essential businesses workers only, with the payments to be four-weekly (rather than fortnightly as per the original scheme), with the option for organisations to re-apply for those same workers after four-weeks, or make further applications for additional workers who are eligible at any time, while the scheme remains open.
6. **agree** that the scheme will be available for at least the period while the nation is at Alert Level 4 public health restrictions, that Ministers will need to consider how long the scheme should be available after this period (some employees are likely to need to remain on leave even after the Level 4 restrictions are lifted) and as part of this, the scheme will be reviewed after 8 weeks of being open to ascertain levels of uptake and future need.
7. **agree** that there are three groups of essential businesses workers that employers will be eligible to apply for under the scheme, who may otherwise feel pressured to work against public health advice and are unable to work from home. These include workers in essential businesses who:
 - 7.1 are deemed at higher risk if they contract COVID-19, in accordance with public health guidance from the Ministry of Health, and as such should self-isolate for the duration of the lockdown (and potentially longer);
 - 7.2 come into contact with someone who has contracted the virus (or have contracted the virus themselves) and, in accordance with Public Health guidance, are required to self-isolate;
 - 7.3 have household members who are deemed at higher risk if they contract COVID-19 in accordance with public health guidance from the Ministry of Health and need to stay away from work for the duration of the lockdown (and potentially longer) to reduce the risk of transmitting the virus to that household member; and
8. **direct** the Minister of Finance, the Minister for Social Development, the Minister for Workplace Relations and Safety and the Minister of Health to develop criteria for determining the groups “at higher risk if they contract COVID-19” referred to in recommendations 7.1 and 7.3 above, and how eligibility will be established for the purposes of the Leave Scheme, and report back to CVD on this.
9. **note** that it is preferable that Ministers named above in recommendation 8 avoid making frequent changes to the definition of eligible, at higher risk employees.
10. **note** that it is preferable that Ministers named above in recommendation 8 try to keep the definition of at higher risk employees as closely aligned to public health guidance as possible.

11. **note** that this policy does not provide leave for essential business workers who have to care for dependants, unless the dependants are considered at higher risk if they contract COVID-19 under public health advice from the Ministry of Health, and there is a risk that some workers may not be able to access care for those dependents;
12. **agree** that essential business organisations (or self-employed essential businesses) should only be eligible to receive this support for paying employees to take leave where:
 - 12.1 the organisation has experienced a 30 per cent revenue loss attributable to COVID-19, or
 - 12.2 have had their ability to support employees who are at higher risk if they contract COVID-19 that need to take leave negatively impacted by the COVID-19 public health restrictions
13. **note** that the revenue loss assessment will be aligned with the revenue loss assessment in the Wage Subsidy.
14. **agree** employers will be entitled to a flat rate of:
 - 14.1 \$585.80 per week (gross, before tax) for each full-time worker (where they usually worked greater than or equal to 20 hours before COVID-19 impacted);
 - 14.2 and \$350.00 per week (gross, before tax) for each part time worker (where they usually worked fewer than 20 hours before COVID-19 impacted);
15. **agree** that employers accessing the scheme should pay workers at either:
 - 15.1 Their usual income before COVID-19, if this is less than the relevant subsidy provided; or
 - 15.2 A minimum of the full subsidy, if the workers' usual income before COVID-19 exceeds the relevant subsidy rate, and in that case also make best endeavours to pay at least 80 percent of the workers' usual income before COVID-19;
16. **agree** that employers must retain workers for the 4 week duration of the subsidy, unless the worker voluntarily ends the employment relationship;
17. **agree** that if the employment relationship ends, the employer will not be entitled to further subsidies in relation to the specified worker;
18. **note** that there may be some cases arising from recommendation 15 where the employer may retain some of the subsidy that may have ordinarily been passed on to the worker in the case of an employment relationship ending;
19. **agree** that employers must use any surplus funding from the leave payments provided, in respect of recommendations 14 or 16, to fund essential business workers' wages where possible;

20. **note** that nothing in the scheme overrides an employer's legal obligations, including to pay for any work completed at the wage rated agreed between employer and worker; the obligation to pay at least the minimum wage for any actual hours of work completed; and that no employer may unlawfully compel workers to take annual leave;
21. **agree** that employers should not be able to claim this leave subsidy at the same time as receiving the wage subsidy or original leave subsidy for the same employee, or where they are simultaneously receiving any other government funding to cover any of the situations in this leave payment scheme;
22. **agree** that if an essential business does experience a 30 per cent reduction in revenue, then they should apply for the Wage Subsidy rather than the COVID-19 essential worker leave support;
23. ³⁴
- 24.
25. **agree** that any further decisions required to implement these modifications will be reported to the CVD Committee as soon as possible, including updated changes to appropriations;

Fiscal implications

26. **note** that there is a very high level of uncertainty in fiscal estimates due to uncertainty in the number of staff continuing to work on the premises of essential businesses, the proportion of these in high-risk groups for COVID-19, and the financial position of essential businesses;
27. **note** that Treasury has prepared cost models for two scenarios; a full uptake model (\$280 million for 12 weeks) and a less than full uptake model (\$100 million for 12 weeks)
28. **note** that in the full uptake model no Essential Business meet eligibility criteria for the wage subsidy and all Essential Businesses apply to the Essential Workers Leave Support Scheme for affected staff
29. **note** that in the less than full uptake model 50 per cent of Essential Businesses experience a 30 per cent drop in revenue and are therefore eligible for the wage subsidy and ineligible for the leave scheme, and only 80 per cent of businesses which eligible to apply for the Essential Workers Leave Support Scheme do apply for the scheme.
30. **note** that in the absence of being able to accurately forecast the level of transmission of the virus in the coming weeks, and the proportion of Essential

Workers who are at higher risk if they contract COVID-19, officials have instead applied the following assumptions to both of the cost models:

30.1 Of the 370,000 staff currently working in Essential Services outside of the public sector:

30.1.1 25 per cent will be able to work from home, leaving 278,000 employees on work premises during this period, and

30.1.2 15 per cent of the workforce have to stay away from work, because they are in a high-risk group or have a high-risk person in their household.

30.2 Essential Business workers who are sick or exposed to COVID 19, or caring for a sick dependent, form only a fraction of the workforce in this period (based on an assumption of only a few thousand cases in New Zealand).



31. **agree** to establish the following new appropriation:

Vote	Social Development
Minister	Minister for Social Development
Title	Essential Workers Leave Support Scheme
Type	Non-Departmental Other Expense
Scope	This appropriation is limited to supporting workers through the Essential Workers Leave Support Scheme, (approved by Cabinet) in response to the COVID-19 virus, with criteria established by Cabinet.

32. **agree** to a performance exemption under section 15D(2)(b)(ii) of the Public Finance Act 1989, as additional performance information is unlikely to be informative at this appropriation is solely for payments related to the COVID-19 response;

33. **approve** the following change to appropriations to fund the Essential Workers Leave Support scheme with a corresponding impact on the operating balance and net core Crown debt:

Vote Social Development Minister for Social Development	\$m – increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Non-Departmental Other Expenses: Essential Workers Leave Support Scheme	100.000	-	-	-	-
Multi-Category Expenses and Capital Expenditure Improved Employment and Social Outcomes Support					
Departmental Output Expenses: Improving Employment Outcomes (funded by Revenue Crown)	0.200	-	-	-	-
Total Operating	100.200	-	-	-	-

34. **agree** that the expenses occurred under recommendation 33 above 

35. **agree** that the proposed changes to appropriations for 2019/20 above be included in the 2019/20 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;

36. **approve** the following fiscally neutral adjustment(s) to provide for the Essential Workers Leave Support Scheme, with no impact on the operating balance and/or net core Crown debt:

Vote Social Development Minister for Social Development	\$m – increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Non-Departmental Other Expenses:					
Financial Assistance to Support Worker Self-Isolation	(19.500)	-	-	-	-
Essential Workers Leave Support Scheme	19.500	-	-	-	-
Total Operating	-	-	-	-	-

37. **agree** that the proposed changes to appropriations for 2019/20 above be included in the 2019/20 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply.
38. **note** this takes the total amount appropriated to support workers taking leave for COVID-19 to \$226.5 million;
39. **agree** that any underspends with the implementation and the costs of COVID-19 essential worker leave support scheme as at 30 June 2020 be transferred to the 2020/21 financial year to ensure that funding is available for this purpose;
40. **note** that the Ministry of Social Development may need additional funding to create, administer and/or pay the scheme and to audit the scheme retrospectively, and the Minister for Social Development will report back if more funds are required;
41. **authorise** the Minister of Finance and the Minister for Social Development jointly to agree the final amount to be transferred, following completion of the 2019/20 audited financial statements of the Ministry of Social Development (or beforehand if necessary), with no impact on the operating balance and/or net core Crown debt across the forecast period;
42. **delegate** authority to the Minister of Finance and the Minister for Social Development to increase/decrease funding for the COVID-19 essential worker leave if required;

43. **agree** that any further decisions required to implement the scheme will be reported to the CVD Committee as soon as possible, including updated changes to appropriations.

Authorised for lodgement

Hon Grant Robertson

Minister of Finance

Proactively Released