



# Cabinet

## Minute of Decision

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### Funding for COVID-19: Public Health Response

**Portfolio**                      **Health**

On 16 March 2020, Cabinet:

- 1        **noted** that the government's public health strategy seeks to delay the onset of community transmission of COVID-19 in New Zealand, and to limit the infection's spread if community transmission occurs;
- 2        **noted** that the nature of the response will be dependent on the success of early identification, containment and isolation procedures, and that there remains significant uncertainty about what additional spending that may be required;
- 3        **agreed** to establish a tagged contingency in Vote Health, to provide for the public health response to COVID-19:

	\$m – increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Public Health Response to COVID-19 – Tagged Contingency	500.000	-	-	-	-

- 4        **authorised** the Ad Hoc Cabinet Committee on COVID-19 Response to draw down the tagged contingency funding in paragraph 3 above (establishing any new appropriations as necessary);
- 5        **agreed** that the tagged contingency funding in paragraph 3 above can be drawn down as operating or capital expenditure, and can be drawn down into any Vote as required;
- 6        **agreed** that the tagged contingency in paragraph 3 above will have no expiry date, and that at 30 June 2020, the undrawn balance of this tagged contingency will be transferred into the 2020/21 financial year, with no impact on the operating balance and net core Crown debt across the forecast period;
- 7        **agreed** that that the tagged contingency in paragraph 3 above will be established outside Budget allowances, with a corresponding impact on the operating balance and net core Crown debt;
- 8        **noted** that additional funding may be required as the government receives further information and advice from officials from ongoing work on potential future costs for District Health Boards (DHBs) and other providers in supporting the COVID-19 response;

- 9 **agreed** to immediately progress the following initiatives to delay the onset of community transmission of COVID-19:

Initiative	\$ million
<b>Existing unfunded costs incurred to date</b>	
Current committed costs against Public Health (isolation centre at Whangaparāoa etc)	2.700
<b>Scale up public communications and support</b>	
Public Health campaign across New Zealand including vulnerable groups via all media channels	10.000
Boosting the Healthline COVID 19 response	20.000
<b>Continuity of care in the community</b>	
Potential additional Ministry costs being incurred to meet ongoing responsibilities as well as housing MCDEM (see comment below)	10.000
Boosting Public Health capacity (including helping to support contact tracing efforts)	40.000
Strengthening workforce capability across DHB provided services	30.000
<b>Testing, and tracing cases</b>	
Purchasing additional ventilated and non-ventilated ICU capacity (private and public)	31.500
Enhanced general practice support and implementing regional responses including Community Based Assessment Centres (CBAC) resourcing, equipment and logistics	50.000
Introduce a GP and Community Health clinical telehealth consultation service	20.000
Increasing ESR and other laboratory Covid-19 testing capacity	5.000
Boost the psychosocial response and recovery plan to mitigating the immediate and long-term psychosocial impact of COVID-19.	15.000
Additional stocks (300,000) of Mylan flu vaccine (incl. private usage)	4.000
<b>Total estimated costs</b>	<b>238.200</b>

- 10 **agreed** to provide an additional \$2.7 million of operating funding in 2019/20 to Vote Health to provide for costs incurred to date for the COVID-19 response (including for additional telehealth service capacity and the isolation centre at Whangaparāoa);

- 11 **approved** the following changes to appropriations to provide for the decision in paragraphs 9 and 10 above, with a corresponding impact on the operating balance and net core Crown debt:

	\$m – increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
<b>Vote Health</b>					
<b>Minister of Health</b>					
Non- Departmental Output Expense: Public Health Service Purchasing	213.200	-	-	-	-
National Mental Health Services	15.000	-	-	-	-
Departmental Output Expense: Managing the Purchase of Services (funded by revenue Crown)	8.000	-	-	-	-
Multi-Category Expenses and Capital Expenditure: Policy Advice and Ministerial Servicing MCA Policy Advice (funded by revenue Crown)	2.000				
<b>Total Operating</b>	<b>238.200</b>	-	-	-	-
<b>Total Capital</b>	-	-	-	-	-


- 12 **agreed** that the changes to appropriations for 2019/20 above be included in the 2019/20 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- 13 **agreed** that the expenses incurred under paragraph 10 above be charged against the 'Public Health Response to COVID-19 – Tagged Contingency' described in paragraph 3 above, leaving \$261.8 million available in the tagged contingency to meet future potential response expenses and demands;
- 14 **authorised** the Minister of Finance and the Minister of Health to transfer any unspent funding agreed under paragraph 11 to the 2020/21 financial year, as required, with no impact on the operating balance and net core Crown debt across the forecast period;

- 15 s. 9(2)(f)(iv)

- 16 **approved** the following changes to appropriations to provide for the decision in paragraph 15 above, with a corresponding impact on the operating balance and net core Crown debt:

s 9(2)(f)(iv)

17

s 9(2)(f)(iv)  


Michael Webster  
Secretary of the Cabinet

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**Hard-copy distribution:**

Prime Minister  
Deputy Prime Minister  
Minister of Health

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