

21 March 2020

Hon Grant Robertson

Minister of Finance

Parliament Buildings

WELLINGTON

COVID-19 Māori Response Package

Kia ora Grant

As you know, this Government is preparing a targeted package to support Māori in the face of the COVID-19 pandemic.

We have successfully identified reprioritised funding from across a number of departments to deliver this response, which includes the following initiatives:

- Supporting Māori businesses
- Māori Health initiatives to support response to COVID-19
- Engaging with Māori groups on their pandemic response plans, and
- Targeted support by Whānau Ora commissioning agencies.

Along with this, the Minister of Health is seeking your approval to draw down \$23 million from the \$500 million COVID-19 Health Response contingency for Māori-targeted responses outlined below. These initiatives are primarily focused in the 2019/20 year, but some costs may fall into the 2020/21 year.

To deliver this response package, approval to a number of fiscally neutral transfers are required, the establishment of a new category in a Multi-Category Appropriation and in-principle expense transfers.

I confirm that none of the changes contained in this update require Cabinet decisions, as they are within the powers of Joint Ministers under *CO(18)2 – Proposals with Financial Implications and Financial Authorities*.

The proposed changes to baselines are as follows:

FISCALLY NEUTRAL ADJUSTMENTS

An explanation of each proposed adjustment is listed below, and the amounts are specified in the recommendations of this letter.

Sources of reprioritisation - Economic

Vote Business, Science and Innovation - Tourism: Marketing of New Zealand as a Visitor Destination

This appropriation funds the activities of TourismNZ. Due to the COVID-19 pandemic, TourismNZ has paused all marketing activities, generating a small underspend of \$300,000 this underspend is available for reprioritisation.

Vote Justice – Māori Crown Relations MCA

Identified underspends.

Vote Justice - Supporting Significant Māori Events

This appropriation allows Te Arawhiti to support significant Māori events throughout the year, such as Waitangi Day celebrations. Due to the cancellation of many large events, this appropriation is going to be underspent for this financial year. This funding is available for reprioritisation.

NEW INITIATIVES

Māori Health Package initiatives – Economic

Vote Māori Development - Supporting Māori Tourism (TPK) in partnership with the Federation of Māori Authorities.

Reprioritised funding of \$1 million from 2019/2020 will enable a needs assessment of what support Māori businesses need in response to the impact COVID-19. Following this a Māori business response plan will be produced and implemented, including the provision of:

- tax advice
- support to access subsidies, and
- HR and accounting advice.
- Redeployment strategies.

Businesses which are insolvent or not considered viable will be provided tailored support such as a re-deployment plan for staff.

Vote Māori Crown Relations – Te Arawhiti - Engaging with Māori on COVID-19 Responses (Te Arawhiti)

Te Arawhiti will utilise its engagement expertise and relationships to support engagement between Māori groups (in particular, iwi) on their COVID-19 pandemic response plans. Funding of \$470,000 from 2019/2020 has been reprioritised to provide for this new Te Arawhiti activity.

Māori Health Package initiatives – Social

Whānau Ora

\$15 million of funding (including \$4.5 million reprioritised within Whānau Ora, \$10 million from the unallocated portion of the COVID-19 Health Response contingency and \$300,000 from Tourism New Zealand reprioritisation (MBIE) and \$200,000 from Te Arawhiti reprioritisation) to provide support

through the Commissioning Agencies' extensive networks among Māori and Pacific communities throughout New Zealand.

The funds will provide communities with the means to meet the needs of whānau impacted by COVID19 that will include packages of care, access to food, hygiene and sanitation packs, essential supplies, warm clothing and access to quality health information.

Other needs as defined by whānau will also look to be addressed as they emerge.

Māori Health Response

\$23 million from the \$500 million COVID-19 Health Response contingency is intended to be drawn down to:

- Provide financial support for Māori provider networks to enable them to meet increased demand;
- Support backfilling and additional workforce capacity arrangements for Māori providers;
- Develop guidelines to help Māori prepare for self-isolation, particularly when self-isolating as part of a large family group;
- Supporting local Māori communities (marae, hapū, iwi, and organisations) to provide locally-specific support, for those who are self-isolating, unwell, or are generally in need of assistance;
- Provide financial support for whānau, hapū, iwi and Māori communities – payment for prescriptions, health services etc;
- Kuia and koroua support – in-home care continuity to keep kaumatua healthy and well (e.g. food parcels, resources, medications);
- Ensuring actions are supported by tailored Māori communications through appropriate and trusted channels - expanding reach and coverage of communications;
- Build-in to the telehealth service a call-back mechanism to ensure all Māori whānau, hapū, and iwi are receiving timely health advice;
- Provide funding for Māori-led, Māori-specific vaccination programme to address equity issues, including a targeted health promotion campaign;
- Support the workforce of Whanau Ora Commissioning Agencies to respond to the increase demand as a result of COVID-19;
- Activate and establish Community Based Assessment Centres in Māori communities.

Delivery of these programs will be done in coordination with the Ministry of Health, District Health Boards and wider Government agencies.

Joint Ministers approval is required to draw down funds from this contingency. Further detail on the use of the drawn-down funds is outlined in Appendix One.

New MCA Category – Engagement with Māori on COVID-19 Responses

Vote Justice does not currently have an appropriation with the scope to enable working directly with iwi on their pandemic plans, as proposed. We therefore seek your approval to the establishment of a new MCA category in the Māori Crown Relations MCA.

In-principle Expense Transfers

There is significant uncertainty around the length and extent of the COVID-19 response that will be required. Accordingly, we are proposing an in-principle expense transfer that will allow us to move

funding from the 2019/20 to the 2020/21 year for the recipient appropriations outlined in the recommendations.

This will allow us to continue activities into next financial year if necessary.

RECOMMENDATIONS

We recommend that you:

1. **note** that funding of up to \$500 million has been set aside for COVID-19: Public Health Response (CAB-20-MIN-110 refers) of which \$238.2 million has been appropriated to immediately progress the following initiatives to delay the onset of community;
 - a. up to \$4 million for public messaging and communications;
 - b. up to \$10 million for public health; and
 - c. up to \$3 million for care in the community;
2. **agree** that up to \$17 million of the funding referred to in recommendation 1 above can be used to meet Māori specific investments including:
 - a. up to \$4 million for public messaging and communications;
 - b. up to \$10 million for public health; and
 - c. up to \$3 million for care in the community;
3. **note** that \$261.8 million is still available in the COVID-19: Public Health Response tagged contingency to meet future potential response;
4. **agree** to the draw-down of \$23 million from the Public Health Response to COVID-19-Tagged Contingency in 2019/20 to Vote Health and Vote Māori Development, for the following Māori specific investment purposes:
 - a. up to \$5 million for additional resources and support for Māori providers to reprioritise and redirect efforts towards COVID-19;
 - b. up to \$18 million for supporting providers to deliver locally-specific support to kuia and koroua as well as for Māori who are self-isolating, unwell or in general need of assistance.
5. **approve** the following changes to appropriations to provide for the decision in recommendation 4 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
Vote Health Minister of Health Non- Departmental Output Expense: National Māori Health Services	13.000	-	-	-	-
Vote Māori Development Minister for Whānau Ora Non-Departmental Output Expense: Whakamahi i ngā Huanga a Whānau Ora (Commissioning Whānau Ora Outcomes)	10.000	-	-	-	-
Total Operating	23.000	-	-	-	-
Total Capital	-	-	-	-	-

6. **agree** that the expenses incurred under recommendation 5 above be charged against the "Public Health Response to COVID-19 – Tagged Contingency" described in recommendation 1 above, leaving \$238.8 million available in the tagged contingency to meet future potential response expenses and demands;
7. **authorise** the Minister of Finance and the Minister of Health to transfer any unspent funding in Vote Health agreed under recommendation 2 to the 2020/21 financial year, as required, with no impact on the operating balance and net core Crown debt across the forecast;

Fiscally-neutral changes

8. **agree** to add the following category to the Multi-Category Appropriation "Māori Crown Relations" in Vote Justice:

Title	Type	Scope
Engagement with Māori on COVID-19 Responses	Departmental Output Expense	This category is limited to supporting engagement between Māori groups and the Crown on responses to the COVID-19 pandemic.

9. **approve** the following fiscally neutral changes to appropriations to provide for the COVID-19 Māori Response Package, with no impact on the operating balance and net core Crown debt:

	\$m – increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24
Vote Business, Science and Innovation Minister of Tourism Non-Departmental Output Expense: Marketing of New Zealand as a Visitor Destination	(0.300)	-	-	-	-
Vote Justice Minister for Māori Crown Relations: Te Arawhiti Multi-Category Expenses and Capital Expenditure: Māori Crown Relations MCA Non-Departmental Output Expense: Supporting Significant Māori Events	(0.370)	-	-	-	-
Departmental Output Expense: Strengthening Crown Capability	(1.300)	-	-	-	-
Departmental Output Expense: Engagement with Māori on COVID-19 Responses	0.470	-	-	-	-
Vote Māori Development Minister for Māori Development Multi-Category Expenses and Capital Expenditure:					

Whanaketanga Ōhanga Māori (Māori Economic Development) MCA Non-Departmental Output Expense: Whakapakari, Whakatairanga Tāpoi Māori (Strengthening and Promoting Māori Tourism)	1.000	-	-	-	-
Minister for Whānau Ora Non-Departmental Output Expense: Whakamahi i ngā Huanga a Whānau Ora (Commissioning Whānau Ora Outcomes)	0.500	-	-	-	-
Total operating	-	-	-	-	-
Total capital	-	-	-	-	-

10. **note** that uncertainty in the timeframes required for the COVID-19 Māori Response Package requires the following in-principle transfers of up to the following maximum amounts of operating expenditure from 2019/20 to 2020/21:

	\$m – increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24
Vote Māori Development Minister for Māori Development Multi-Category Expenses and Capital Expenditure: Whanaketanga Ōhanga Māori (Māori Economic Development) MCA Non-Departmental Output Expense: Whakapakari, Whakatairanga Tāpoi Māori (Strengthening and Promoting Māori Tourism)	(1.000)	1.000	-	-	-
Minister for Whānau Ora Non-Departmental Output Expense: Whakamahi i ngā Huanga a Whānau Ora (Commissioning Whānau Ora Outcomes)	(15.000)	15.000	-	-	-
Vote Justice Minister for Māori Crown Relations: Te Arawhiti Multi-Category Expenses and Capital Expenditure: Māori Crown Relations MCA Departmental Output Expense: Engaging with Māori on COVID-19 Responses	(0.470)	0.470	-	-	-
Total operating	(16.470)	16.470	-	-	-
Total capital	-	-	-	-	-

11. **authorise** the Minister of Finance and the appropriation Minister outlined in recommendation 10 for the relevant appropriation jointly to agree the final amount to be transferred, following

completion of the 2019/20 audited financial statements, with no impact on the operating balance and net core Crown debt across the forecast period;

12. **agree** that the proposed changes to appropriations for 2019/20 covered by the recommendations above, be included in the 2019/20 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply; and
13. **note** the Minister of Finance, Minister of Health and Minister for Māori Crown Relations -Te Arawhiti will make further decisions concerning the specific allocations from the \$40 million as required.

Signed



Hon Grant Robertson
Minister of Finance



Hon Kelvin Davis
Minister for Tourism
Minister for Māori Crown
Relations: Te Arawhiti



Hon Andrew Little
Minister for Treaty of Waitangi
Negotiations



Hon Dr David
Clark
Minister of
Health



Hon Peeni Henare
Minister for Whānau Ora

Proactively Released

Appendix One

Summary of actions		Estimated cost (\$m)
Maori-specific investment	Additional resources and support for Maori providers to reposition and redirect efforts towards COVID-19	
	Supporting providers to deliver locally-specific support to kuaia and koroua as well as for Maori who are self-isolating, unwell or in general need of assistance	
	Total:	5,000
	Develop guidelines to help Maori prepare for self-isolation, particularly when self-isolating as part of a large family group	
	Supporting local Maori communities (marae, hapu, iwi and organisations) to provide locally-specific support, for those who are self-isolating unwell, or are generally in need of assistance.	
	Provide financial support for whānau, hapu, iwi and Maori communities – payment for prescriptions, health services etc.	
Other investment	Kuaia and koroua support – in-home care continuity to keep kaumatua healthy and well (e.g. food parcels, resources, medications)	
	Supporting the Whānau Ora Commissioning Agencies to respond to the increase need in the community as a result of COVID-19 (\$10m)	
	Total:	18,000
	Ensuring actions are supported by tailored Maori communications through appropriate and trusted channels - expanding reach and coverage of communications	
	Build-in to the telehealth service a call-back mechanism to ensure all Maori whānau, hapu, and iwi are receiving timely health advice.	
	Total:	4,000
Public health	Funding for Maori-led, Maori-specific vaccination programme to address equity issues, including a targeted health promotion campaign.	
	Total:	10,000
	Activate and establish Community Based Assessment Centres (CBACs) in Maori communities	
	Total:	3,000