



Cabinet Business Committee

Minute of Decision

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Seasonal Work Assistance

Portfolio **Social Development and Employment**

On 25 November 2020, the Cabinet Business Committee, having been authorised by Cabinet to have Power to Act [CAB-20-MIN-0485]:

- 1 **noted** that the Ministry of Social Development (MSD) is increasing its activity to place as many jobseekers as possible into work in the horticulture and viticulture industries;
- 2 **noted** that the Minister for Social Development and Employment has also agreed to changes to the New Zealand Seasonal Work Scheme for people relocating to take up seasonal work, including making incentive payments and assisting with accommodation costs;
- 3 **noted** that current Seasonal Work Assistance Programme payments are designed to cover income loss from adverse weather conditions (e.g. heavy rain affects the ability to work outside) to former MSD clients who have moved off benefit into seasonal horticulture work in the last 26 weeks;
- 4 **noted** that current Seasonal Work Assistance Programme payment rates are significantly lower than wage rates, and that clients frequently reach the maximum amount able to be paid in a 26-week period, which results in many applicants having to receive additional hardship grants for financial assistance;
- 5 **noted** that the Minister for Social Development and Employment has agreed in principle to increasing the maximum weekly amounts of Seasonal Work Assistance Programme payments to pay minimum wage for up to 40 hours a week (a maximum of \$632.04), and up to approximately 17 days' work in a 26-week period (a maximum of \$2,149), to cover the hours a client cannot work due to adverse weather conditions;
- 6 **noted** that the above change would increase the maximum amount of Seasonal Work Assistance Programme payments payable in a 26-week period from \$940 to \$2,149;
- 7 **noted** that the Minister for Social Development and Employment has also agreed in principle to streamline the payment structure of the Seasonal Work Assistance Programme payments, so that all clients receive the same rate (regardless of personal circumstances), to make this more consistent with the way clients would be paid by their employer;

- 8 **agreed** to increase the maximum weekly amounts of Seasonal Work Assistance Programme payments to pay minimum wage for up to 40 hours a week (a maximum of \$632.04), and up to approximately 17 days' work in a 26-week period (a maximum of \$2,149), temporarily until 30 June 2022, to cover the hours a client cannot work due to adverse weather conditions;
- 9 **approved** the following fiscally neutral adjustments to provide for paragraph 8 above, with no impact on the operating balance and/or net core Crown debt:

Vote Social Development Minister for Social Development and Employment	\$m – increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Benefits or Related Expenses:					
Work Assistance	0.346	0.643			
Multi-Category Expenses and Capital Expenditure:					
Improved Employment and Social Outcomes Support MCA:					
Departmental Output Expense:					
Administering Income Support (funded by revenue Crown)	(0.346)	(0.643)			
Total Operating	-	-	-	-	-

- 10 **agreed** that the change to appropriations for 2020/21 above be included in the 2020/21 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply

Janine Harvey
Committee Secretary

Present:

Rt Hon Jacinda Ardern (Chair)
Hon Grant Robertson
Hon Kelvin Davis
Hon Dr Megan Woods
Hon Chris Hipkins
Hon Carmel Sepuloni
Hon Andrew Little
Hon David Parker
Hon Nanaia Mahuta
Hon Poto Williams
Hon Damien O'Connor
Hon Stuart Nash
Hon Willie Jackson
Hon Michael Wood
Hon Dr David Clark
Hon Meka Whaitiri

Officials present from:

Office of the Prime Minister
Department of the Prime Minister and Cabinet