



Report

Date: 26 April 2019

Security Level: IN CONFIDENCE

To: Hon Carmel Sepuloni, Minister for Social Development

Financial assistance for those affected by the Christchurch terrorist attack

Purpose of the report

- 1 This paper provides preliminary advice on options to provide financial support to those who have suffered mental trauma as a result of the Christchurch mosque attacks, who are in financial hardship and may not be able to work, and potentially other groups who may be in hardship due to the event.

Recommended actions

It is recommended that you:

- 1 **note** that this report provides preliminary advice on options for providing financial support for people impacted by the 15 March 2019 Christchurch terrorist attack
- 2 **note** that this report is intended to form the basis for an initial discussion at the Agency meeting on Monday 29 April 2019
- 3 **note** that should you wish to explore the policy options discussed in this paper, the Ministry of Social Development will provide you with detailed advice, including costings, and develop a Cabinet paper to secure agreement to this approach.

Justine Cornwall
General Manager

Date

Hon Carmel Sepuloni
Minister for Social Development

Date

Cabinet has established a new Christchurch Response Visa related to the Christchurch mosques attack of 15 March 2019

- 2 On 25 March 2019 and 15 April 2019, Cabinet approved the establishment of the Christchurch Response (2019) Visa [CAB-19-MIN-121 and CAB-MIN-0172 refers], in order to make available (through an accelerated process¹) a *special permanent resident visa category* to:
- the immediate family of any individual who died in the Christchurch terrorist attack of 15 March 2019
 - individuals injured and requiring immediate hospital treatment, and their family normally living in New Zealand
 - recognise the significance of mental harm as a result of the attacks, all those present in the mosques at the time of the attacks (but not physically injured) and normally living in New Zealand, and their families.²

The establishment of the new Christchurch Response Visa has implications for the provision of welfare support for affected people

- 3 People granted the Christchurch Response Visa will qualify for some forms of welfare support from the New Zealand Government, depending on their individual circumstances. It is estimated that there are around 188 people in this category.
- 4 However, there is another group of non-dependent adult children and non-dependent adult siblings (of those who died in the terrorist attacks or those who were injured) who are in New Zealand on *temporary visas* (visitor, work, or study) who may be suffering mental harm as a result of the attack. The Christchurch Response Visa has not been made available to this group, so it will be more difficult for them to qualify for welfare assistance. Currently, we do not have information about this group's personal circumstances.
- 5 Below further detail is provided on the groups of people affected and options to provide financial support to people who have suffered mental harm as a result of the mosque attacks. **Appendix One** provides a summary of this material.

The Ministry of Health is providing mental health services to affected people

- 6 Additionally, it should be noted that the Ministry of Health is responsible for providing mental health services to those affected by the Christchurch event. The frontline psycho-social response is the 1737 mental health service that offers brief interventions, 30-minute counselling sessions with a trained counsellor, and can link people into other more specialist services over the phone. This service is not restricted to New Zealand residents.

ACC support is only available to certain affected persons

- 7 People who are covered by ACC for a personal injury can receive: treatment, weekly compensation for loss of earnings (or loss of potential earnings), lump sum payments for permanent impairment, social and vocational rehabilitation, funeral grants, surviving spouse weekly compensation, child care payments (if the deceased had children), and a survivors' grant.

¹ People offered permanent residency under the Christchurch Response (2019) Visa have two years for their application to be submitted. Some people may want to take time out in their home country before returning to New Zealand.

² 'Family' includes married or de facto partners, dependent children, parents (and step-parents), other dependent siblings, and grandparents of children, who were normally living in New Zealand at the time of the attacks.

ACC has identified a potential group of people that may have suffered mental trauma but who are not covered by ACC

- 8 ACC will currently cover physical injury and death, mental injury stemming from a physical injury, and mental injury for those who experienced, heard, or saw the terror attack while working. Those that get only a mental injury will not be covered.
- 9 This means that victims of the attack who were in the mosques, but were not physically injured, and not working at the time, cannot receive ACC support for any mental harm they suffer, in particular, they cannot receive treatment and be paid weekly compensation if they are unable to work due to mental harm.
- 10 ACC did some initial estimates of the cost for providing support to this group. They estimated that the average cost to ACC of the support may range from \$1,700 per person (counselling only) to \$2.3 million per person (lifetime support including weekly compensation). These amounts could be higher for particular individuals e.g. lifetime support including weekly compensation for a 20-year old with a high income.
- 11 In comparison to welfare payments, ACC weekly assistance is paid at 80 percent of prior earnings and is generally a higher weekly rate of assistance.

Most people who are not eligible for ACC cover will be able to qualify for income support

- 12 Those granted the Christchurch Response Visa would be able to access main benefits as long as they met the hardship test ie cash asset test. They would also qualify for supplementary assistance subject to the normal eligibility criteria.
- 13 The cash asset test would not include gifts or donations made to a person in relation to the Christchurch terrorist attack, or any income derived from them. Cabinet agreed to exempt any such gifts and donations from cash assets and income tests for financial assistance for a period of 12 months [CAB-19-MIN-0134 refers]. All cash and other assets that can easily be converted into cash would be included in the cash asset test.
- 14 While the Ministry of Social Development (MSD) does have discretion, in exceptional circumstances, to exempt some or all of an applicant's cash assets on a case-by-case basis, it would not be possible for the Government to guarantee that all people granted the Christchurch Response Visa would meet the hardship criteria for Jobseeker Support (JS), Youth Payment, Young Parent Payment, Supported Living Payment (SLP), or Emergency Benefit (EB).

Persons on temporary visas (visitor, work, or study) may be eligible for assistance if they are applying for residency and are "compelled to remain in New Zealand"

- 15 People in New Zealand on temporary visas may be granted EB and/or TAS, but only if they are applying for residency and are "compelled to remain in New Zealand".
- 16 People caught in the mosque attacks are likely to be viewed as being "compelled to remain in New Zealand". However, to be eligible under this provision they will also need to be applying for permanent residence. We are advised that this costs around \$2,000 per family. Should they apply and then be declined for permanent residence, they would then cease to be eligible for these forms of support.

We have identified three potential scenarios where a policy change may be needed to ensure full coverage

- 17 There are some choices to be made on how wide you would like to extend financial support and to what groups you would like to it extended to. MSD recommends discussing the following options at the next agency meeting on Monday 29 April 2019. Appendix one sets out a summary table of the options.

Group one – people who are being granted the new Christchurch Response Visa and will become permanent residents

- 18 This group (estimated at 188) comprises people who have been granted the Christchurch Response Visa.
- 19 People who have been residents for less than two years, such as those on the Christchurch Response Visa, can only access specified main benefits where they can show hardship (income and asset tests). Conversely, people who have been resident for more than 2 years are able to access the same benefits without having to meet the income and asset test.

Option – Exempting clients from the two-year requirement for support under the Social Security Act 2018

- 20 To address group one, regulations could be made under sections 16(5) and 421 of the Social Security Act 2018 (SSA) to specify that a person granted a Christchurch Response Visa does not need to meet the two-year residence requirement under the SSA.
- 21 People who had been granted the Christchurch Response Visa would then become eligible for all the usual forms of main income support. This would include becoming eligible for income support that does not have a cash asset test – eg the other (non-hardship) forms of JS, the Supported Living Payment (SLP) and Sole Parent Support (SLP).

Option assessment and implementation

- 22 MSD considers that this option would be a simple and targeted response for people who had been granted a Christchurch Response Visa. This would be a simple way to create equity with other people caught up in the Christchurch mosque attacks. It would not address those people who were affected and on a temporary visa.
- 23 This option would require Cabinet policy and legislation decisions. If this was to be progressed promptly then a waiver of the 28-day rule would need to be sought. Depending on the nature of the Cabinet process this could take two weeks if decisions were sought directly from Cabinet.
- 24 Should you wish to implement this option more quickly it would require an operational workaround and may limit reporting options.

Group two: people who are on a temporary visa and are applying for residency and are compelled to remain in New Zealand

- 25 This group comprises people who are on a temporary visa and are applying for residency and who are compelled to remain in New Zealand. For this group, MSD can grant EB and TAS under current settings. People caught in the mosque attacks are likely to be “compelled to remain in New Zealand”,³ but to be eligible under this provision they will need to be applying for permanent residence.
- 26 The upper limit for TAS for applicants who are also applying for permanent residence is different than for other applicants. It is the higher of:
 - the appropriate Accommodation Supplement maximum rate, or
 - 30 percent of the applicant’s main benefit.

This means they can receive a higher rate of TAS than the permanent resident group.

- 27 No regulatory changes are proposed.

Group three: People who are on temporary visas and are either not applying for permanent residence or are declined residency and do not qualify for any benefit assistance

³ The ‘compelled to remain’ provision applies until the resident’s application has been determined.

- 28 Group three is comprised of two sub-groups that will be discussed in turn. These sub-groups are:
- a) People who are on temporary visas and are either not applying for permanent residence or are declined residency and are directly affected by the Christchurch mosque attacks
 - b) People who are on temporary visas and are either not applying for permanent residence or are declined residency and people who are indirectly affected but are also traumatised.
- a) *People who are on temporary visas and are either not applying for permanent residence or are declined residency and are directly affected by the Christchurch mosques attack*
- 29 This group has a direct connection to the Christchurch mosques attack and have been significantly affected. This would cover adult non-dependent children or siblings (of those who died in the terrorist attacks or those who were injured) who are living in or visiting New Zealand on temporary visas (visitor, work or study), who:
- are not seeking permanent residence, or have been declined permanent residency; and
 - require income support, but are ineligible for usual benefit support.
- 30 It would also cover family members of those who were affected by the terrorist attacks who have travelled to New Zealand to provide support.
- 31 Because this group are only on temporary visas and are not applying for permanent residence, they do not qualify for any benefit assistance under current settings. They may nonetheless have been directly affected by the attacks and require income support for a temporary period.

Option – establishing a new targeted welfare programme with specific criteria to provide support to people with a direct connection to the Christchurch mosques attack

- 32 This option would involve establishing a new and targeted welfare programme under the SSA to provide income support to affected people. This would be the normal way in which MSD provided an income support type payment outside the standard regime in the SSA, and it would allow us to refer to existing provisions of the SSA rather than having to establish something new. The person would need to have been significantly affected by the Christchurch Mosque attacks and this would include that they were:
- suffering mental trauma as a result of the attacks; or
 - a family member of someone significantly affected by the attacks and has travelled to NZ to provide support; or
 - is otherwise experiencing significant hardship as a result of their attacks.
- 33 In addition, the affected person would have insufficient income/assets to meet temporary need and be ineligible for any other form of income support.
- 34 The amount of support would be the equivalent net rate of assistance to the group of people with temporary visas, who are compelled to stay in New Zealand and are applying for permanent residency. This group would be eligible for EB set at the rate of the equivalent benefit, TAS with a higher upper limit than citizens/permanent residents, the Family Tax Credit (depending on individual circumstances) and the Winter Energy Payment.
- 35 Assistance would be time-limited for the duration of need. This would allow MSD to provide urgent support, pending a full assessment of a person's on-going needs and transitioning them to the usual support structures. If required, the welfare programme could be extended to cover continued on-going need. Consideration could be given to initially a 12-month period for the welfare programme.

Option assessment and implementation

- 36 This option would target support to specified class who are directly and significantly affected by the attacks. MSD would work to further refine the criteria for the welfare programme and could expand scope through further amendments if necessary. This would be to ensure such a scheme targeted those in genuine need as a result of the mosque attacks, including being limited to those unable to access other forms of support (to avoid double dipping and ensure people are using this assistance as a last resort).
 - 37 A new tailored support programme may carry some risk of setting a precedent in relation to other benefit settings, depending on the parameters of the new policy. Any such risk would, however, have to be seen in the context of the extraordinary circumstances of the Christchurch event.
 - 38 At this juncture, we cannot estimate how many people would be eligible for this programme. Therefore, the potential impact of this programme for affected communities and any costs arising from it cannot be fully estimated.
 - 39 Similar to group 1 above, decisions could be gained promptly in two weeks dependent on the process followed. We estimate that a welfare programme could be implemented in four weeks.
- b) People who are on temporary visas and are either not applying for permanent residence or are declined residency and people who are indirectly affected but are suffering mental trauma*
- 40 This group would also include people who have been affected by the attacks but do not themselves have a direct connection, for example, those in the wider Muslim community who may feel trauma following the attack. This group would be suffering financial hardship due to mental trauma and would be ineligible for income support due to having temporary visa residence status.
 - 41 This group could include those who have an indirect connection to the attacks for example close friends who have travelled to NZ to support victims and/or their families, or persons resident in NZ too traumatised to go to work or study.
 - 42 We are not able to estimate the amount of people covered within this group. If coverage was extended to cover this group, it could be potentially be quite large. A potential scenario could comprise a Muslim person studying in another city and following the Christchurch mosques attack is suffering mental trauma is unable to continue attending university.

Option – establishing a new welfare programme to provide support to affected people without a direct connection to the Christchurch mosques attack

- 43 Similar to group 3(a), a new welfare programme could be created that supports a wider group of people who were indirectly affected by the Christchurch mosques attack. This welfare programme would be available when a person was ineligible for a benefit but has an income gap that is linked to the Christchurch mosque attacks.

Option assessment and implementation

- 44 This approach would capture groups 1 and 3(a) above and as such would address all need in the affected communities.
- 45 This option has significant risks that would need to be considered before progressing. The very wide scope of the welfare programme under this option could result in the unintended capture of other groups. It is unclear whether a welfare programme with such wide coverage for this group is needed.
- 46 This option would also be quite complex to administer, for example, there would need to be assessment of what “indirectly affected” meant. This assessment could be complicated to undertake. It also likely that it could require system support to administer, this could delay the option’s implementation and could have additional costs. There would likely be significant IT/administrative costs.

- 47 Similar to group 1 above, decisions could be gained promptly in two weeks dependent on the process followed. We estimate that the time it would take to implement a welfare programme would depend on the number of people covered by the scope.

Summary of option analysis

- 48 MSD considers, in summary, that options 1 and 3(a) are relatively easy to implement in terms of both administration and IT costs. Providing a ministerial welfare programme to a limited number of people can be managed manually through staff at MSD national office.
- 49 Should you wish to extend the ministerial welfare programme to a larger number of people then this would increase complexity and administration and IT. MSD notes that the Ministers of Immigration and of ACC were not prepared to extend assistance to a wider group of people than those directly affected by the attacks.

We have not developed options for providing ex gratia payments to affected people

- 50 In developing the options for each group we considered providing ex gratia payments. An ex gratia scheme typically offers one-off lump sum compensatory payments. We note that an appropriate basis would need to be developed to determine the appropriate amount(s) to be paid with any such payments. It would be difficult to determine this, as we do not know how long support may be required. Given that this may take some time and there is a need to respond promptly, we did not develop an option for ex gratia payments.

s 9(2)(f)(iv)

51 s 9(2)(f)(iv)

52 s 9(2)(f)(iv)

Next steps

- 53 If you are interested in further exploring the policy options outlined above, we will provide you with detailed advice, including costings, and develop a Cabinet paper to secure agreement to this approach.
- 54 We would appreciate the opportunity to discuss your preferences on this issue at the next Agency meeting on 29 April 2019.

Appendix One: Summary of Options

Description of group	Current support	Options to extend support	Benefits	Risks
<p>Group one People being granted the <i>Christchurch Response Visa</i>. Some this group will be eligible for ACC. However, individuals in this group will not be eligible for ACC if they suffered mental harm but were not physically injured and were not working, or if they are family of loved ones injured or killed in the attack.</p> <p><i>Estimated at approx. 188 people</i></p>	<p>Because these people will have been residents for less than two years they can only access Jobseeker Support, Emergency Benefit, Youth Payment, and Young Parent Payment if they can show hardship (i.e. they must pass income and asset tests).</p> <p>People who have been resident for more than 2 years are able to access the same benefits without having to meet the asset test.</p> <p>There is a reasonable policy rationale for treating new residents on the same basis as people who were affected by the attacks but have been resident for more than two years/are citizens – equity.</p>	<p>Pass Regulations that specify that a person granted a Christchurch Response Visa meets the “residential requirement.”</p> <p>This would mean they are treated as if they had been resident for 2 years and can access specified main benefits, which do not have a cash asset test and would therefore not have to use their own resources before qualifying for a benefit. Regulations like this authorised under ss 16(5) and 421 SSA 2018.</p>	<p>Simple way to create equity with other people affected by the attacks.</p> <p>Targeted response to problem posed for this group.</p> <p>Operational: Simple to administer, with no significant changes required.</p>	<p>Only responds to those who get Christchurch Response Visa.</p>
<p>Group two This group includes those on temporary visas who are not eligible for the Christchurch Response Visa, but are applying for permanent residency.</p>	<p>There is current provision for those who are compelled to stay in New Zealand, and are applying for permanent residency, to receive:</p> <ul style="list-style-type: none"> • Emergency Benefit set at the rate of the equivalent benefit • Temporary Additional Support, with the higher upper limit available for residence applicants • Family Tax Credit (depending on individual circumstances). • Winter Energy Payment. 	<p>No change proposed.</p>	<p>-</p>	<p>-</p>
<p>Group 3(a) This group has a direct connection to the attack and have been significantly affected by the attack. This would include those adult non-dependent children or siblings (of those who died in the terrorist attacks or those who were injured) - who are living in or visiting NZ on temporary visas (visitor, work or study), who:</p> <ul style="list-style-type: none"> • are not seeking permanent residence, or have been declined permanent residency; and • require income support, but are ineligible for usual benefit support. <p>It includes Family members of those who were affected by the terrorist attacks who have travelled to New Zealand to provide support.</p>	<p>Because members of this group are only on temporary visas and are not applying for permanent residence, they do not qualify for <i>any</i> benefit assistance.</p> <p>They may nonetheless have been directly affected by the attacks and require income support for a temporary period.</p>	<p>Create new welfare programme to provide temporary income support for people who are “directly affected” by the attacks. Welfare programmes are flexible and give us the ability to specify the criteria and payments people are eligible to.</p> <p>The key decision is what to include within the scope of “significantly affected” by the attacks – having a tightly defined class will clarify the scope of the regime and ensure it is simpler to administer</p> <p>On the basis of what we know to date, we could define the group in the following way:</p> <ul style="list-style-type: none"> • The person must have a direct connection to attack (eg. Have a family member who died or was injured in the attack); and • Has been significantly affected by attacks in one of the following ways: <ul style="list-style-type: none"> ○ Suffering mental trauma as a result of the attacks; or ○ Has travelled to NZ to provide support; ○ Is otherwise experiencing significant hardship as a result of their attacks; and • The person has insufficient income/assets to meet temporary need; and • Person is ineligible for any other form of income support. <p>Defining the group in this way would effectively limit it people who are connected to the attack and have been affected in a material way. We can add to or amend this to reflect</p>	<p>Targets support to specified class who are directly and significantly affected by the attacks</p> <p>Can refine criteria and expand scope through amendments to programme.</p> <p>Time limited.</p> <p>Operational: Minor operational changes which can be done within a relatively short timeframe and at a low cost.</p>	<p>Unknown how many would qualify.</p> <p>Operational: Lack of IT safeguards for making the payments. However, given the small number of people likely to apply, this can be managed with business processes.</p>

<p><i>Numbers not evident at this point</i></p>		<p>ministerial preferences. We consider that the amount of support should be the equivalent net rate of assistance available to group two. Would be time limited (for duration of need/visa duration).</p>		
<p>Group 3(b) People who:</p> <ul style="list-style-type: none"> do not meet the criteria for the above two groups who are nonetheless indirectly affected by the attacks – eg suffering financial hardship due to mental trauma; and are <u>ineligible</u> for income support due to having temporary visa residence status <p>This group could include those who have an indirect connection to the attacks, for example close friends who have travelled to NZ to support victims and/or their families, or persons resident in NZ too traumatised to go to work or study. For example, a Muslim person studying in Hamilton who is suffering mental trauma and cannot attend university.</p> <p><i>Numbers not evident at this point</i></p>	<p>There may be other people who are not directly and significantly affected by the attacks or who do not have a direct connection to the attack but who still require income support because of the wider consequences of the attacks</p>	<p>Create new welfare programme which is available when a person is ineligible to a benefit but has an income gap which is indirectly linked to the attacks</p>	<p>Captures all possible forms of temporary income support required as result of attacks (potentially includes group one and two).</p>	<p>Very wide scope may result in unintended capture – and it is not clear we need to go this wide. May be longer duration than if we limit to cases of people on temp visas. Operational: More complex to administer. Lack of IT safeguards, and with a larger group of people encompassed it may be more difficult to manage this risk. Assessment of “indirectly affected” may be complex for case managers, and require training. May require system support to administer which could delay the time taken to implement and could have additional.</p>

Please note: Appendix Two, pages 1 and 2, have been withheld under Section 9(2)(f)(iv)

