

Key messages from our 2020 monitoring report:

- around 330,000 families benefitted from the Families Package in its first year
- average weekly Family Tax Credit payments have increased
- receipt of the Best Start tax credit and paid parental leave have continued to grow, helping families with costs in a child's early years
- the doubled Winter Energy Payment for 2020 helped just under 1.2 million adults and their children (including partners of primary recipients)
- increased payment rates for the Accommodation Supplement have resulted in people receiving larger payments per week
- with rising housing costs the proportion of recipients receiving the maximum Accommodation Supplement payment is increasing
- although numbers of recipients of Families Package payments have increased, particularly post COVID-19, the monitoring data does not show whether people are receiving all the payments they are entitled to.

There were larger overall income gains for benefit recipients with children than without, consistent with the Families Package policy design.

Average weekly increases in assistance for benefit recipients in January 2021 as a result of Families Package and 2020 policy changes, by family type:

Family type	Number of Families	Family Tax Credit	Best Start (2)	Main Benefit	AS(2)(3)	TAS(4)	Total	WEP(5) (2020 rate in winter months)	Total if 2020 WEP spread over entire year
With children									
Couple with Children	16,000	\$41	\$24	\$31	\$30	-\$5	\$120	\$63	\$147
Sole Parent	96,000	\$32	\$17	\$31	\$32	-\$6	\$105	\$64	\$132
Without children									
Couple no Children	18,000			\$30	\$21	-\$4	\$46	\$60	\$71
Single No Children	266,000			\$28	\$8	-\$2	\$35	\$40	\$51
All beneficiaries									
Total	396,000	\$9	\$5	\$29	\$15	-\$3	\$56	\$47	\$76

Notes:

(1) Based on the main benefit population as at January 2021 and payment rates as at May 2020. Consumer Price Index adjustments that would have occurred in any case are not included in the estimated gains. The impact on Income Related Rent is not modelled. Gains experienced by those receiving Orphans and Unsupported Child Benefit, or affected by section 192 removal, are not included.

(2) The average gains in assistance for payments such as Best Start and Accommodation Supplement may seem lower than expected because not all beneficiaries gained from these changes.

(3) Accommodation Supplement.

(4) Temporary Additional Support.

(5) Winter Energy Payment.

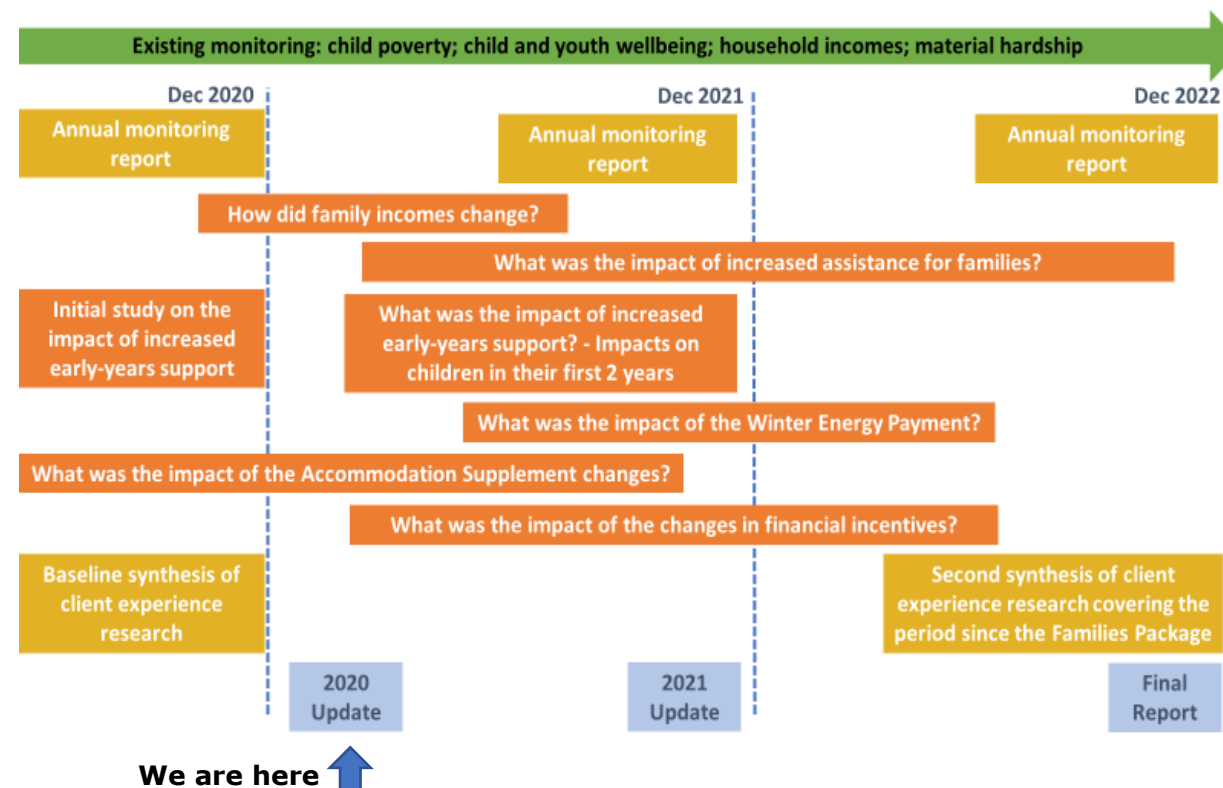
Parents have more income and more time off work after their child's birth:

- we estimate that in the first six months post-birth, mothers and first parents in the first cohort to qualify for the early-years changes – the introduction of Best Start and extra paid parental leave – gained an estimated \$55 per week
- this is a 10 percent increase in their income, and is on top of income gains from other parts of the Families Package
- the number of months mothers and first parents had no wages and salaries post-birth, a proxy for time spent at home with their baby, increased in line with the policy intent.

Our baseline synthesis affirms the importance of efforts to improve client experience and awareness of payments:

- lack of awareness of some social assistance entitlements, the complexity of the application process, and the adequacy of assistance provided by the income support system were key issues for recipients before the Families Package reform
- these findings are very similar to those raised by participants in the 'Voices' consultations undertaken by MSD in developing the Ministry's Te Pae Tata and Pacific Prosperity strategies, and in the 2018 consultations carried out by the Welfare Expert Advisory Group.

Our work programme looking forwards.



Work currently underway:

- more on how incomes and financial incentives changed and how outcomes are tracking
- a study looking at impacts on children's health and wellbeing in their first two years
- a study on the impact of the Accommodation Supplement changes on rents and other outcomes