



Report

Date: 13 November 2020

Security Level: IN CONFIDENCE

To: Hon Carmel Sepuloni, Minister for Social Development and Employment

Enhancing the New Zealand Seasonal Work Scheme and Seasonal Work Assistance Programme

Purpose

- 1 This report provides an overview of the New Zealand Seasonal Work Scheme (NZSWS) and the Seasonal Work Assistance Programme (SWAP) and proposes changes to enhance these products to incentivise more New Zealanders to take up work in the horticulture and viticulture industries.
- 2 Subject to your agreement to the proposed changes to the NZSWS, amendments to the Employment and Work Readiness Assistance Programme are attached for your approval and signature.

Executive summary

- 3 Employers in the horticulture and viticulture industries (the industry) traditionally meet their labour needs by a combination of New Zealand and migrant workers. Border closures have caused disruption to the labour supply of migrant workers for the 2020/21 season. Modelling by the Ministry of Primary Industries (MPI) suggests that there is likely to be a shortfall of 3,000-7,400 migrant workers nationwide at the seasonal peak in March 2021.
- 4 The shortage of seasonal labour presents an opportunity for more New Zealanders to take up work in the industry. Since last year, there has been an increase of approximately 50,000 people on Jobseeker Support and a cumulative increase of 15,000 across the five key seasonal regions.¹
- 5 Significant work is underway within MSD at both a regional and national level, to address these barriers and to incentivise as many MSD clients as possible to take up seasonal work. This includes partnering with industry, regional recruitment drives, expos, marketing and contracting training providers, along with changes to national employment products, such as \$5k to Work, to support people into seasonal work.
- 6 Despite MSD and industry's increased efforts to get New Zealanders into seasonal work, there are some significant barriers that deter take-up of seasonal roles. These key barriers include relocating to other regions for work, little incentive for some New Zealanders to work in the industry (due to low pay and difficult working conditions) and limited affordable accommodation options.
- 7 We also consider that more support is needed to further facilitate and support an increased number of clients into seasonal work. We consider that further changes can be made to MSD's bespoke seasonal work products to do this. We propose to do this through:

¹ Northland, Bay of Plenty, East Coast, Nelson and Southern.

Restarting and enhancing the New Zealand Seasonal Work Scheme (NZSWS)

- 8 The NZSWS aims to support the movement of MSD clients across the country to take up seasonal work but is not currently active. One of the key barriers to entering seasonal work is the relocation into another region to take up the seasonal role. We recommend restarting the NZSWS to help incentivise and facilitate the movement of clients to work in seasonal roles. Proposed changes include:
- making incentive payments of \$1,000 to participants to motivate a greater number of New Zealanders to relocate to take up and complete their seasonal work contracts; and
 - making a contribution towards a participant's accommodation costs of up to \$200 per week for up to the first 13 weeks (when they relocate are still required to pay accommodation costs in their home location).

Enhancing the Seasonal Work Assistance Programme (SWAP)

- 9 The SWAP is designed to provide financial assistance to former MSD clients who have moved off a benefit in the last 26 weeks because they entered into seasonal horticulture work. The purpose of the SWAP is to cover income loss due to adverse weather conditions (eg heavy rain affects the ability to work outside) within a 26-week period.
- 10 The current SWAP payment is significantly lower than wage rates and therefore does not sufficiently provide the financial stability for those working in seasonal roles.
- 11 We are also aware that clients frequently reach the maximum amount of payments allowed in a 26-week period and therefore receive other assistance such as food grants.
- 12 We recommend increasing the rate of weekly SWAP payments and maximum amount able to be paid in a 26-week period in order to provide greater financial stability for those in seasonal work.
- 13 Funding for these changes could be sourced from the Improved Employment and Social Outcomes Multi Category Appropriation (MCA) but would require Cabinet agreement to transfer this to the Benefits or Related Expenses Work Assistance Appropriation (WAA). We will work with your Office to get Cabinet agreement to transfer this funding.
- 14 Subject to your agreement to the proposed changes to the SWAP, we will provide further advice and the legal instrument for you to approve and sign once the transfer of funding has been approved by Cabinet.

Changes to these products aim to support more New Zealanders into seasonal work

- 15 Changes to both of these products aim to incentivise clients into seasonal work by addressing key barriers identified by both our clients and staff. We will also be improving the operational processes of both products to ensure they are more client centric. This includes contracting with an employer or provider in each region to manage placements and pastoral care for participants of the NZSWS.
- 16 Changes to the settings for the NZSWS and the SWAP require amendments to the Employment and Work Readiness Assistance Programme and the Seasonal Work Assistance Programme. The changes to the NZSWS could be implemented this year if the 28-day rule is waived. We consider a waiver is appropriate to ensure these products can be utilised as soon as possible to incentivise people into seasonal work and the changes confer only benefits on the public.
- 17 Changes to these products are required to help support more New Zealanders into seasonal work for the 20/2021 season. We will assess the effectiveness of these changes and determine if longer-term changes to these products are required.

Recommended actions

- 1 **note** that the Ministry of Social Development is increasing its activity to place as many jobseekers as possible into work in the horticulture and viticulture industries

New Zealand Seasonal Work Scheme

- 2 **note** that the New Zealand Seasonal Work Scheme was originally designed to support jobseekers relocating to take up seasonal work, however it is not currently being used as the scheme was ineffective at addressing key barriers to seasonal work, and the processes were heavily burdensome for jobseekers and staff

- 3 **note** the Ministry of Social Development is restarting the New Zealand Seasonal Work Scheme and recommends some changes to address barriers to take up of seasonal roles and previously low use of the scheme

- 4 **agree** to making changes to the New Zealand Seasonal Work Scheme to:

- 4.1 make incentive payments of \$1,000 to people relocating to take up seasonal work of six weeks or longer, paid in part during, and in part at the completion of a contract

Agree / Disagree

- 4.2 assisting with accommodation costs for people relocating to take up a seasonal role (who also need to pay their own accommodation costs in their home region) by contributing up to \$200 per week for up to the first 13 weeks of work

Agree / Disagree

- 5 **note** the Ministry of Social Development is also making changes to the operating model of the New Zealand Seasonal Work Scheme to better facilitate the relocation of clients

- 6 **note** that the enhanced scheme will cost approximately \$3.2 million to \$4.8 million to support 500-700 people into seasonal work over the next year and can be funded through baseline resources in the Improved Employment and Social Outcomes Multi Category Appropriation

- 7 **note** that these proposed changes require an amendment to the Employment and Work Readiness Assistance Programme

- 8 **agree** to approve and sign the attached Employment and Work Readiness Assistance Programme, for which you have authority to do under section 101 of the Social Security Act 2018

Agree / Disagree

- 9 **note** that in order to meet the timing of seasonal labour demand, changes would take effect once the Employment Work Readiness Assistance Programme has been signed and tabled in the house of Representatives

- 10 **agree** to waive the 28-day rule for the notification of the Employment and Work Readiness Assistance Programme to immediately enact the proposed changes

Agree / Disagree

11 **note** that section 102(1) of the Social Security Act 2018 requires that as soon as practicable after making amendments to welfare programmes, the instrument must be published and notified with a copy presented to the House of Representatives

12 **direct** your Office to arrange for a copy of the instrument to be tabled in the House of Representatives, no later than the 16th sitting day after you have signed it

Agree / Disagree

13 **direct** officials to arrange for publication of the instrument on the Ministry of Social Development's external website and notify the making of the instrument in the New Zealand Gazette, as required by the Social Security Act 2018

Agree / Disagree

Seasonal Work Assistance Programme

14 **note** that current Seasonal Work Assistance Programme payments are intended to cover lost income due to adverse weather conditions

15 **note** that current Seasonal Work Assistance Programme payment rates are significantly lower than wage rates and 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

16 **agree** 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, and up to approximately 17 days' work in a 26-week period (to cover the hours a client cannot work due to adverse weather conditions)

Agree / Disagree

17 **agree** 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

Agree / Disagree

18 **note** that would increase the maximum amount of Seasonal Work Assistance Programme payments payable in a 26-week period from \$940 to \$2,149

19 **note** these increases will cost approximately \$2.952 million over the next five years, and will require Cabinet agreement to transfer funding from the Improved Employment and Social Outcomes Multi Category Appropriation to the Benefits or Related Expenses Work Assistance Appropriation

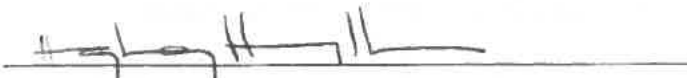
20 **note** that if you agree to these proposed changes, we will work with your Office to seek Cabinet agreement to transfer this funding

21 **note** that these proposed payment amount changes require an amendment to the Seasonal Work Assistance Programme, and we will provide the legal instrument for you to sign if the transfer of funding is approved by Cabinet

22 **note** the Ministry of Social Development is also making changes to the operating model of the Seasonal Work Assistance Programme payment to improve processes for clients and staff

Next Steps

23 **note** that the Ministry of Social Development has a communications strategy in place to promote seasonal work to New Zealanders across the country.



Hayley Hamilton
General Manager, Employment and Housing Policy
Ministry of Social Development

13 / 11 / 20

Date

Hon Carmel Sepuloni
Minister for Social Development

Date

Background

- 18 Current border restrictions are impacting the availability of migrant workers for work in the horticulture and viticulture industries (the industry). MPI have predicted a potential labour shortage of at least 3,000-7,400 migrant workers at the peak of the fruit picking season in March 2021. To help fill this shortage, the Ministerial Group considering class exemptions has agreed to the border exemption of 2,000 RSE workers (subject to Cabinet approval). MSD has been continuing to work with our regional teams and other agencies to gain greater clarity on what the predicted seasonal labour demands and supply will be in each region.
- 19 Given the rising unemployment levels across the country, there are opportunities for more New Zealanders to take up work in the industry. Since last year, there has been a large increase in the number of work-ready clients both across the country (an increase of approximately 50,000) and in the five key seasonal regions (a cumulative increase of approximately 15,000).

MSD is increasing its efforts to get more New Zealanders into seasonal roles

- 20 We recently provided you with an overview of MSD's current understanding of the upcoming seasonal labour shortages and the different investment initiatives within each region to get more New Zealanders into seasonal work [REP/20/10/1018 refers]. This overview also highlighted MSD's increased efforts across the key seasonal regions to attract more New Zealanders into seasonal work. This includes active promotion of seasonal work, training services (eg forklift licensing) and partnering with employers.
- 21 Work has also been progressed to update the policy settings for some of MSD's standard employment products, such as \$5k to work, to ensure that they can now be used for seasonal roles longer than 91 days.

Despite increased efforts and a border exception for 2,000 more RSE workers², more support is needed to get more New Zealanders into seasonal work

- 22 Although MSD is increasing its investment and effort to get more New Zealanders into seasonal work, barriers still exist that disincentivise clients to take-up seasonal roles. These barriers include low pay, difficult working conditions, the short-term nature of the roles, and accommodation and transport issues. Whilst industry has taken steps to address these barriers, more can be done to improve working conditions and incentivise New Zealanders to get into seasonal work.
- 23 This report provides advice on potential changes to our bespoke seasonal products, the New Zealand Seasonal Work Scheme (NZSWS) and Seasonal Work Assistance Programme (SWAP), to further facilitate and incentivise clients to take up seasonal work.

MSD provides a range of products to support New Zealanders to gain and maintain seasonal work

- 24 MSD has two employment products targeted towards supporting clients into seasonal work. These are the NZSWS and the SWAP.

New Zealand Seasonal Work Scheme (NZSWS)

- 25 The purpose of the NZSWS is to help MSD clients receiving a benefit to take up fixed-term employment in seasonal horticulture and viticulture roles. The NZSWS has been used to:
- facilitate the take up of seasonal roles by clients outside the key seasonal regions;

² To be considered at Cabinet on 16 November 2020.

- meet the costs of transport to the landing region (where the seasonal role is located) and travel to work (or travel to work in their own region if the commute is greater than one hour); and
- provide pastoral care, clothing and gear, and training when required.

Seasonal Work Assistance Programme (SWAP)

26 The SWAP is a payment for seasonal workers who have moved off a benefit in the last 26 weeks because they entered into seasonal horticulture work and have lost wages because of work missed due to bad weather.

A number of MSD's standard employment products can also be used to support New Zealanders to enter seasonal work

- 27 MSD provides a range of employment products that can also be used to support clients into seasonal roles, by providing assistance with training, redeployment and transport. Some key products include:
- **\$5k to Work** – A \$5,000 grant to support clients to relocate for roles longer than 91 days.
 - **Transition to Work grant** – A grant of up to \$1,500 which is available to support with costs associated with starting work such as clothing, transport, and equipment.
 - **Course Participation Assistance** – A grant (up to \$1,000) to participate in a short-term work-related training course.
 - **Contracted training programmes** – Regionally led contracts with industry or employers to train and up-skill clients to get them ready and fit for seasonal work.

New Zealand Seasonal Work Scheme (NZSWS)

The NZSWS has previously supported MSD clients to take up seasonal roles in horticulture and viticulture

- 28 In 2015, a trial for the NZSWS began, which utilised Recognised Seasonal Employers (RSE) to recruit MSD clients for horticulture or viticulture seasonal work. Eligible clients must be in receipt of a benefit and be willing to temporarily relocate to key seasonal regions. The NZSWS has not been used since 2019.
- 29 The previous NZSWS required co-ordination between the employer, the sending region (where a client is based) and the landing region (where the seasonal role is located). This process was administratively burdensome for all three parties to deliver.

The NZSWS has had low use in the past due to some key barriers

- 30 The number of MSD clients that have participated in the NZSWS are small compared to the number of workers that are required to undertake seasonal work. Since 2015, a total of 754 clients have used the NZSWS. The maximum take-up in any year was 312 in 2016.
- 31 Some of the key reasons for low take-up of the NZSWS include:
- the limited incentives for clients to take up work in the industry, such as low pay, the physical nature of the work and the temporary nature of the work;
 - the inability of the NZSWS to address key barriers to working in the industry, such as needing to pay for accommodation at home and in the landing region; and
 - administrative processes to deliver the NZSWS.

We will be restarting the NZSWS and recommend enhancing the scheme's settings

- 32 We consider that the NZSWS can be restarted and improved to help incentivise and facilitate the movement of clients to work in seasonal roles. We recommend making these changes to the NZSWS:
- introducing a payment of \$1,000 when a client has relocated for seasonal work, paid in part during, and in part at the completion of a contract; and
 - assisting with accommodation costs by contributing up to \$200 per week for up to the first 13 weeks for people relocating from another region to take up a seasonal role (who also need to pay their own accommodation costs in their home region).
- 33 We estimate that the enhanced scheme will support an additional 500-700 jobseekers into seasonal roles.

Assistance currently provided under the NZSWS will continue to be utilised

- 34 As part of restarting the NZSWS, we will continue to provide funding based on an individual need for:
- transport between regions, and to and from work;
 - clothing and gear requirements;
 - funding for pastoral care through a provider; and
 - short-term training where needed for the role.
- 35 The current support is available for clients who are required to relocate (i.e. from another region) as well as clients who have to travel for longer than an hour to the place of work (i.e. might still be within the same region). These payments are for actual and reasonable costs that are paid by the employer and reimbursed by MSD.

Introducing incentive payments will further motivate clients to enter into seasonal work

- 36 A key barrier for clients taking up seasonal work is the requirement to relocate to another region. Moving to another region for seasonal work has associated costs and stresses for clients, which can often deter clients from entering into seasonal work as there is no real incentive to relocate. To address this, we consider that providing incentive payments will provide an incentive for people to move regions to commit to these roles. Thus, making temporary seasonal roles more attractive for clients.
- 37 We recommend an incentive payment of \$500 be paid to the employee during the employment period (generally at the halfway point) and an additional \$500 paid at the end of the employment period, for roles of 6 weeks or more. The incentive payment would only be available for people who have relocated for work.
- 38 This incentive payment would also help to address concerns that industry have raised with some clients in the past not completing their contracts. Having the incentive payments paid partly during the role and partly at the end will encourage people to stay in their roles for the duration of their contract.

There are some risks associated with introducing an incentive payment under the NZSWS

- 39 There is a risk that the incentive payments impact the employee wages offered by employers for seasonal workers. For example, employers may perceive the payments as being a top up to wages, which could result in them offering less for roles, or not increase wages as a way to attract more people to the roles. We consider that making this payment directly to the employee (as opposed to being paid to the employer or by a provider) would mitigate this risk as an employer would not have limited visibility over this payment.

Introducing a contribution to accommodation costs can help minimise relocation costs

- 40 The NZSWS is intended to support people to travel between regions as many seasonal roles are not located near main centres. The need to pay for accommodation costs both at home and in the region for seasonal work has been

identified as a significant barrier to clients relocating to take up horticulture or viticulture roles. While transport costs are included in the NZSWS, having to pay two sets of accommodation costs is a significant disincentive for clients.

- 41 To incentivise clients to move to other regions for seasonal work, we propose introducing a contribution to accommodation costs of up to \$200 per week for up to the first 13 weeks. The contribution is an incentive only available for people moving between regions to take up a seasonal role through the NZSWS and aims to address the barrier of having two sets of accommodation costs.
- 42 We consider contributing to the first 13 weeks accommodation will cover a significant number of seasonal roles (the average length being for 6 weeks). Providing a contribution for more than the average length of a contracts acts as an incentive for clients to continue working in the industry (if their contract is shorter than 13 weeks). This promotes continued work in the industry and possibly greater movement across the industry.

There are some risks associated with introducing a contribution to accommodation costs under the NZSWS

- 43 As with the incentive payment, the risk with contributing to accommodation costs is it does not incentivise employers to treat New Zealanders more fairly when compared to overseas RSE workers, for who they provide accommodation for. Paying for accommodation also will not address the issue of a general shortage of appropriate supply of accommodation in the area.

We consider that incentivising industry to improve working conditions should be addressed through broader cross government work

- 44 Changes to the NZSWS are specifically aimed at addressing barriers for New Zealanders taking up seasonal work. We consider that this should not take the place of the need for the industry to address the poor working conditions and key barriers in the longer-term.
- 45 As part of our seasonal work programme, MSD is currently contributing to cross-government work aimed at incentivising the industry to make commitments to improving pay and working conditions in the longer-term. This includes:
 - the potential for conditions to be placed on industry as part of a proposed border exception, requiring employers to commit to improving conditions for New Zealanders while they recruit RSE workers.
 - contributing to the broader RSE review which is aimed at re-considering the settings and allocation model for the RSE scheme and how these fit with incentives for industry to train and recruit New Zealanders.
- 46 We will continue to work alongside other agencies and the industry to incentivise more New Zealanders into seasonal work.

s 9(2)(h) [Redacted]

47 s 9(2)(h) [Redacted]

48 s 9(2)(h) [Redacted]

s 9(2)(h) [Redacted]

49 s 9(2)(h)

50 s 9(2)(h)

51 s 9(2)(h)

We are also making operational changes to better facilitate the relocation of jobseekers

MSD will be contracting an employer or provider in each region to administer the NZSWS

- 52 We will be contracting an employer or provider in each region to manage placements and pastoral care for the NZSWS. Their role would include supporting clients into work (eg orientation and accommodation support), providing pastoral care and training services, and facilitating travel (both to the landing region and to work).
- 53 The purpose of this employer or provider support is to better facilitate the movement of jobseekers between regions, with the aim of providing jobseekers with a smoother transition into the seasonal role.
- 54 This will also remove the additional administrative load on MSD regional staff facilitating this scheme, which has been a barrier to the use of the scheme in past years.
- 55 To ensure consistency in contracts and support across regions, MSD National Office will provide a national seasonal coordinator. The coordinator will provide support with contractual arrangements, promotion of the programme nationwide, provision of support to regions and a national point of contact for the industry.

Where there is no suitable provider in a region, the NZSWS will be managed through the MSD regions

- 56 If a region does not have a suitable employer or provider, MSD will be allocating an extra dedicated resource to administering the NZSWS. The same services and supports that are provided via a contracted employer or provider, will be provided by MSD.

The costs of these changes can be met through baseline resources

- 57 The cost per participant for the proposed NZSWS changes is between \$6,900 to \$7,600⁵ and the total cost over the next year is estimated to be between \$3.2 to \$4.8 million. These costs can be funded out of MSD's baseline resources in the MCA.
- 58 Changes to these products are required to help support more New Zealanders into seasonal work for the 2020/21 season. We will assess the effectiveness of these changes and determine if longer-term changes to these products are required.

Subject to your agreement, changes to the NZSWS will be included in MSD's communications plan

- 59 Currently, MSD has a communications plan to support successfully matched clients to the seasonal workforce needs. The objectives of the plan are:

s 9(2)(h)

⁵ Assuming full uptake of all components of the scheme

- consistent and aligned messaging to anyone looking for work, highlighting that seasonal work is available;
- messages to highlight the positive aspects of seasonal work;
- guidance for clients so they know where to find and apply for seasonal roles;
- information so employers understand that MSD can help fill their seasonal labour market needs;
- information and resources designed for MSD staff so they can deliver effective and relevant communications, promoting seasonal work to clients; and
- information and resources designed for MSD staff so they can deliver effective and relevant communications, helping employers fill seasonal roles.

60 Subject to your agreement, the changes to the NZSWS will be included in this communications plan and actively promoted to clients.

Clients will only be matched to work that is appropriate to their circumstances

- 61 Clients with work obligations must take reasonable steps to obtain and accept any offer of suitable employment – including temporary or seasonal. There are a number of factors taken into account for whether the job is suitable for the client, including location, type of employment and wages. Changes to the NZSWS will not mean that clients will be placed into work that is not suitable for them.
- 62 If a client is not meeting their work obligations, MSD will work with client to ensure they understand the implications of this. Standard procedures will be followed if a client continues to not meet their obligations.

Seasonal Work Assistance Programme (SWAP)

The SWAP payment provides financial assistance to people who are unable to work due to adverse weather conditions

- 63 The SWAP payment is intended to provide financial assistance to stabilise a workers income when they are unable to work (and lose income), due to poor weather conditions (eg heavy rain affects the ability to work outside). A client can receive a SWAP payment within 26 weeks of their benefit stopping because they had started seasonal horticulture work. Since July 2019, 1,131 payments of SWAP were made totalling \$193,321.
- 64 We know that one of the key barriers of entering into seasonal work is the risk of fluctuating income. The current SWAP provides some financial cover for those who are unable to work due to poor weather conditions, however it is currently ineffective as:
- the amount provided is significantly below what a worker would normally be earning from seasonal employment; and
 - the maximum amount payable means that clients are not always covered for the full season.
- 65 This rate is significantly lower than what a client would be earning while working and does not currently provide a stable income throughout the course of a season.

Increasing the SWAP weekly rates and 26-week maximum threshold would further incentivise New Zealanders to take up seasonal work

- 66 Currently clients receive a rate of SWAP based on the number of hours lost over the week and family status. For example, the rate of payment for eight hours lost in a week is \$53 for single clients (with no dependent children) and \$94 for other clients (between \$6 and \$12 per hour).

- 67 Clients can also only receive a maximum of \$940 in a 26-week period. This limited cap means that many applicants often have to apply for additional hardship grants for additional financial assistance throughout the season.
- 68 To further incentivise New Zealanders into seasonal work, we recommend:
- increasing the maximum weekly amounts of SWAP payments to pay up to minimum wage for up to 40 hours per week; and
 - increasing the maximum amount payable in a season to cover up to 17 days per season (26-week period), to cover the hours that a client would normally work (but cannot work) due to adverse weather conditions.
- 69 We consider that increasing the rate and maximum amount payable would act as a significant incentive for more jobseekers to take up seasonal work by providing greater financial security and stability while being employed.
- 70 To reflect these changes, the maximum amount that an applicant can receive in a 26-week period would increase from \$940 to \$2,149 (Appendix one provides a further breakdown of these payment rates).
- 71 The current payment also provides separate rates for single and other applicants. We also propose streamlining the payment structure, so that all clients receive the same rate (regardless of personal circumstances). We consider that this would make the payment more consistent with the way that clients would be being paid by their employer.

There is a low risk that changes to the SWAP payments will impact employer's behaviour

- 72 Similar to the NZSWS changes, there is a risk that employers are disincentivised to guarantee better hours and pay for their employees. These risks are continuing to be addressed through other cross-government initiatives and engagement with the industry.

Funding these changes will require Cabinet approval

- 73 The forecasted cost of making these increases is \$2.952m over five years:

2020/21	2021/22	2022/23	2023/24	2024/25	Total
\$345,635	\$642,884	\$648,755	\$656,556	\$658,550	\$2,952,380

- 74 Funding for these changes could be sourced from the MCA but will require Cabinet agreement to transfer this to the WAA. If you agree to these changes, we will work with your Office to seek Cabinet agreement to this transfer.

We recommend implementing changes to the SWAP through amendments to the Seasonal Work Assistance Programme

- 75 SWAP payments are administered through the Seasonal Work Assistance Programme. Changes to the payment amounts and maximum amount would require an amendment to the Seasonal Work Assistance Programme.
- 76 If you agree to increasing the payment amounts to the SWAP and streamlining the payment structure, we will provide you with the required legal instrument to sign.

We are streamlining the process for making SWAP payments and ensuring a consistent approach between regions

- 77 Uptake of SWAP has been limited due to the heavily administrative process that clients are required to go through in accessing the payment. For example, in some instances a client might be required to go to an MSD service centre multiple times a week if there is an adverse weather event, in order to access the SWAP. Changes to the way we operationalise the SWAP will ensure it is more client-centric and easier for clients to access.

- 78 These process changes will also improve consistency of application across MSD regions. We will work with regions to ensure processes are appropriate for the region and addresses key barriers faced by that particular region.
- 79 Improving the administrative burden for both clients and staff will likely improve the take-up of the SWAP. These improvements, coupled with the changes to the payment amounts of the SWAP, will likely further incentivise clients into taking up seasonal work.

Next steps

- 80 Subject to your agreement to the proposed changes to the NZSWS, amendments to the Employment and Work Readiness Assistance Programme are attached for your approval and signature.
- 81 If you approve the changes to the NZSWS, we will upload the amendments to the Employment and Work Readiness Assistance Programme to the New Zealand Gazette and to MSD's website. Your office will arrange to table these amendments in the House. Proceeding with a waiver for the 28-day notification will ensure changes to the NZSWS can be implemented before the end of the year.
- 82 If you agree to the changes to the SWAP payment, we will work with your Office to secure Cabinet agreement to transfer funding from the MCA to the WAA.
- 83 We will then provide a draft legal instrument for the amendments to the Seasonal Work Assistance Programme for your approval and signature.
- 84 We will also progress with operational changes to streamline administrative processes for the NZSWS and SWAP.

Appendix

- 85 Appendix one: Full breakdown of Seasonal Work Assistance rates

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Appendix one: Full breakdown of proposed and current Seasonal Work Assistance rates

Proposed Seasonal Work Assistance rates (40 hours per week at minimum wage)

Hours lost (over the week)	Maximum weekly amounts of Seasonal Work Assistance payments
8 hours or less	\$126.41
More than 8 hours and not more than 16 hours	\$252.82
More than 16 hours and not more than 24 hours	\$379.22
More than 24 hours and not more than 32 hours	\$505.63
More than 32 hours	\$632.04

Current Seasonal Work Assistance rates

Hours lost (over the week)	Maximum weekly amounts of Seasonal Work Assistance payments	
	For a single applicant with no dependent children	For any other applicant (see Note 1 below)
8 hours or less	\$53.00	\$94.00
More than 8 hours and not more than 16 hours	\$106.00	\$188.00
More than 16 hours and not more than 24 hours	\$159.00	\$282.00
More than 24 hours and not more than 32 hours	\$212.00	\$376.00
More than 32 hours	\$265.00	\$470.00