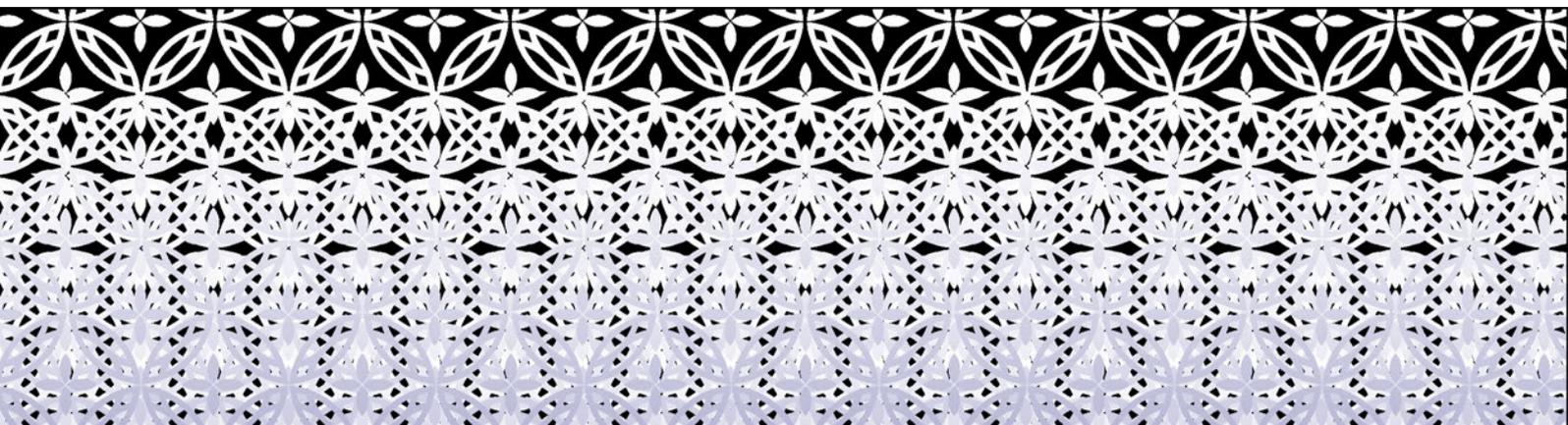**MINISTRY OF SOCIAL DEVELOPMENT**
TE MANATŪ WHAKAHIATO ORA

The Foundation for change

Engagement findings report

Publish date TBC

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Acknowledgement

We want to sincerely thank all those who contributed to this engagement. We appreciate all those who took the time and effort to attend a hui, make a submission or complete a survey. The insights and wisdom provided were invaluable and we hope this report honours what was shared.

Disclaimer

The analysis and summary of the feedback we received through targeted engagement are not the official position of the Ministry of Social Development.

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Executive Summary

1. Since 2017, a large programme of work has been underway to overhaul the welfare system, in line with the Government's vision that people have an adequate income and standard of living, are treated with and can live in dignity, and are able to participate meaningfully in their communities.[1] Practical initiatives have included the introduction of the Families Package, increasing main benefits to the levels recommended by the Welfare Expert Advisory Group (WEAG) in their 2019 advice to the Government, and the indexation of main benefit rates to average wage increases.

2. In September 2021, Cabinet endorsed the renewed welfare overhaul work programme. A central part of the work programme is consideration of the foundational settings of the welfare system, encompassing a strong focus on improving outcomes for Māori and a commitment to honour te Tiriti o Waitangi/Treaty of Waitangi obligations (te Tiriti).[2] The work also includes reviewing the purpose and principles of the Social Security Act 2018 (the SSA).

3. The Ministry of Social Development (MSD) undertook targeted engagement to inform the work on the foundations of the welfare system and explore views on potential amendments to the SSA. Having a modern and inclusive legislative foundation can signal a shift in approach to social security and can enable more far-reaching changes to the welfare system in the future.

Engagement approach and methodology

4. As part of the foundational settings work programme, MSD undertook targeted engagement with organisations and groups with whom MSD had existing relationships, and who had an interest in legislative reforms to the SSA. Due to Covid-19 health and safety requirements and timing constraints of the work programme, targeted engagement through online hui was completed over a six-week period from mid-February to 1 April 2022.

5. The purpose of engagement was to seek feedback on how the purpose and principles of the SSA could be amended to improve the focus on people's wellbeing, and how the SSA could reflect te Tiriti. The questions and illustrative examples were presented in the *Foundation for change* document which was shared with stakeholders prior to discussions. The *Foundation for change* document is attached as **Appendix one**.

6. Feedback was sought on the following four broad questions:

    Review of the purpose and principles of the Social Security Act 2018

    a) From your perspective how do you think the purpose and principles could be rebalanced to support people's wellbeing?

    b) What impact do you think changing to 'suitable employment' would have?

    Development of Treaty provisions (general clause and Chief Executive accountability clause) for the Social Security Act 2018

    c) Is this the kind of commitment to te Tiriti you would like to see in the Act; will it help address inequitable outcomes for Māori? Is anything missing?

    d) What role could Māori have in the design, delivery and oversight of CE accountability objectives?

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[1] https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/information-releases/welfare-overhaul-update/cabinet-paper-welfare-overhaul-update-on-progress-and-long-term-plan.pdf
[2] We have used te Tiriti throughout this report to cover both the English and Māori texts.

7.   We worked to make the targeted engagement as comprehensive as possible within the timing and Covid-19-related constraints. We anticipated that there would be interest from a wide range of partners and stakeholders. We followed Te Arawhiti's Māori engagement guidelines, which recommend a high degree of engagement with Māori on issues that have a substantial impact on their communities and whānau, such as the proposed introduction of Tiriti accountability in the SSA.

8.   The range of stakeholders included: Tiriti partners; iwi and Māori organisations; MSD frontline staff and clients; social service providers; non-government organisations and community groups, including representatives from Pacific peoples' and disabled people's groups; representatives from businesses and employers; advocacy groups; academics and researchers.

9.   We met with over 500 people through 61 targeted online engagement hui with each hui generally running for 1.5 hours. In each of these sessions we had a facilitator and subject matter expert. We also received nine submissions (via email) and six responses to a closed survey provided to those who could not attend an online hui. We had 13 questions in the online survey, which is attached as **Appendix two**.

10. This report sets out the findings of a thematic analysis of the feedback. While the focus of this engagement was on proposals relating to the options for amending the SSA within the foundational settings work programme, many people provided feedback on wider themes and concerns about the welfare system which we have also included. Much of the feedback was similar to that captured by the WEAG in 2019.

11. Care was taken to note commonly expressed views and where present, to highlight any contradicting views, but the report does not discuss every unique response provided by participants. All the quotes used here are reported verbatim, with no corrections made, and have been anonymised and referenced by the group they represent.

12. A limitation of this report is that targeted engagement, by its nature, placed limitations on the breadth and depth of feedback sought, so the views of wider audiences or other groups may not be represented.

Summary of engagement feedback

Participants generally supported amending the purpose and principles of the Social Security Act, but were most interested in how changes would be implemented

13. There was general agreement that the purpose and principles of the SSA should be amended, but much of the feedback was about wanting to see operational changes to the welfare system to improve the experience of users. Participants wanted to share how much implementation mattered, and most of the feedback provided on the *Foundation for change* document centered around the differences people wanted to see in operational practice, rather than just in legislation.

14. There was a consensus that the tone of the purpose and principles of the SSA should be shifted to better reflect the importance of the welfare system for all New Zealanders. Many participants agreed that the purpose of the SSA could better reflect the benefits that the welfare system delivers for the whole community and be more ambitious in the outcomes it could achieve. Some people, such as academics and advocacy groups, said that the principles of the SSA should be rebalanced from emphasising work, targeting and conditionality, towards recognising wider contributions made by different groups (such as carers); reflecting the changing needs of people during different stages of the life

cycle; and being more inclusive of different vulnerable groups (such as disabled people).

15. There were mixed views on reflecting 'wellbeing' in the purpose and principles of the SSA. Wellbeing was seen by most to be a multi-dimensional and holistic concept. There were different interpretations of what made up wellbeing and some people raised that improving all aspects of wellbeing was beyond the remit of MSD. Participants also said that wellbeing is about the wider whānau and community, not just the individual. Some suggested that wellbeing within the context of the SSA would require a definition, to explicitly direct a shift in approach throughout the system. Most people agreed that clients would need to have a say in what wellbeing meant for them.

16. Those participants who supported the focus on wellbeing pointed to consequential changes that would be required to achieve wellbeing throughout the system, such as ensuring people had adequate support and felt cared for. They said that introducing a wellbeing approach would require cross-government collaboration to ensure other aspects important to people's wellbeing were addressed. While some participants reported the focus on wellbeing provided an opportunity to make a real difference in the lives of clients, they also raised numerous examples of the ways in which current practices and processes were seen to be at odds with supporting wellbeing.

17. Those who did not support the focus on wellbeing suggested alternative purposes for the SSA. Alternatives included focusing on dignity, income adequacy, poverty prevention, meaningful participation and belonging. Many of these participants felt strongly that changes to the SSA should be more ambitious and be followed throughout the SSA as well as in the administration of the SSA. They also highlighted the importance of keeping a focus on the way people should be treated throughout the welfare system.

18. Some of the participants felt the proposed amendments to the purpose and principles of the SSA, as provided in the *Foundation for change* document, were 'tinkering'. They wanted to see more fundamental change signalled by stronger and more direct language; greater inclusion of particular groups, such as disabled people; and be driven by kaupapa Māori values.

Participants were supportive of moving away from focusing on just paid employment but were divided on whether the focus should be suitable employment

19. Most participants supported rebalancing the employment focus of the current purpose and principles of the SSA. They reported that the focus on paid employment was operationalised as requiring clients to take any paid job. This was linked to people churning on and off benefit; minimal improvements to income from moving into work; less sustainable employment outcomes; and greater frustration, stress, and anxiety for MSD clients. A small number of participants wanted to retain this strong focus on paid employment to maintain work incentives. They reported that jobs were readily available and moving quickly into work supported longer term employability.

20. Participants said that 'suitable employment' would need to be redefined to signal a shift towards wellbeing. Participants offered a wide range of factors to consider, but there was no consensus on what a definition of suitable employment would cover, or who should determine suitability. Participants raised concerns about the way 'suitable employment' is currently defined in the SSA for the work test, with MSD having discretion to determine the suitability of jobs in relation to the work test rules. Some believed that the suitability of a job would need to be decided by the client, or at least in partnership with MSD. Some participants wanted MSD to work with the client and their whānau to determine what suitable employment would look like for that person. Others expressed that

it was difficult to achieve improved wellbeing from work, if support to find a job was limited and available jobs were not sustainable. They also indicated that suitable employment would require suitable employers.

21. We also heard that many people feel that the current use of targets and key performance indicators (KPIs) drives a focus on short-term outcomes and behaviours that result in unsustainable employment. MSD staff said that they wanted more flexibility to recognise the different ways people progress towards sustainable employment, such as part-time work, volunteering, training and caring.

22. Many people said that they felt strongly that the way suitable employment is operationalised will require fundamental change. This included taking more time to understand clients' needs and pathways to sustainable employment that include post-employment support. People who are further from the labour market were seen as needing more employment support than is currently available.

Participants were supportive of including Tiriti-related provisions in the Social Security Act, but wanted to express a range of guidance for the approach

23. There was general support to develop Tiriti-related provisions in the SSA, but most participants raised concerns about the level of ambition of the current proposals, and how these provisions would be implemented and given effect on the ground.

24. While participants were supportive of adding a general Tiriti clause to the SSA and said it offered huge potential for change, many participants wanted this change to be more ambitious to support transformational change. Participants wanted to see te Tiriti woven throughout the SSA, to provide the foundation for the change that is needed. Some participants stated that a general te Tiriti clause did not go far enough. Participants told us that the proposals in the *Foundation for change* document did not reflect te ao Māori in a way that would guarantee positive outcomes for whānau. They considered that in order for a modern day SSA to commit to Māori, the purpose of the general clause has to address inequities and set up a system that has a pro-Māori approach.

25. Participants generally felt that the examples we provided on how general te Tiriti clauses have been used by other government agencies did not reflect the partnership relationship that should exist between the Crown and Māori. Any Tiriti-related proposals need to have strong, direct and unambiguous language and clearly tie MSD to action. Participants said that we should be using the term whānau, hapū and iwi, not Māori, when referring to te Tiriti clauses to be included in the SSA, though there were varied positions on how kupu Māori (Māori words) should be used and interpreted.

26. As with other changes to the SSA, many people reported concerns about implementation and wanted to see how amendments would impact on the ground. Many participants considered that working towards achieving equitable outcomes for Māori would require cross-government collaboration, improving MSD staff interaction with Māori clients, having more Māori in leadership roles, and better aligning policy to tikanga Māori and whakaaro Māori (Māori ways of thinking). People reported that te Tiriti needs to be lived in practice through changes to MSD operations and training for staff, as well as recognising that whānau are capable of determining their own futures. Many believed that kaupapa Māori values are needed to drive the types of changes that would lead to better outcomes for people who interact with the welfare system, particularly Māori.

In considering the Tiriti-related accountability objectives, we were challenged to consider more ambitious approaches

27.   There was general agreement that a specific clause requiring the Chief Executive (CE) of MSD to engage with Māori to develop a set of Tiriti related objectives, and to report on these regularly, would provide a visible Tiriti-related accountability mechanism that could lead to change throughout the agency. This was considered to demonstrate a strong commitment to improving outcomes for Māori. However, Tiriti partners and service providers also felt that the objectives as set out in the *Foundation for change* document were not meaningful, could not be enforced, and did not reflect a partnership relationship for the welfare system.

28.   For Tiriti partners genuine partnership means reciprocity from both parties and many participants wanted to see the CE accountability objectives reconsidered to better reflect te Tiriti. Participants commented that whānau, hapu and iwi must define and lead what partnership looks like. Some of the participants told us that honouring te Tiriti will require co-design, co-decisions and co-delivery of services and supports available to people through the welfare system. This should include consideration of accountability mechanisms for MSD staff, devolving services and decision making to communities, and considering 'by Māori, for Māori' approaches to support whānau who are determining their own futures.

29.   Participants, particularly Māori organisations and iwi representatives, expressed little faith in the Crown to deliver equity, and instead called for MSD to support 'by Māori, for Māori' approaches. Participants also told us that government structures and systems impede efficient and effective delivery of the support Māori need, with many, particularly iwi organisations, using the example of the Covid-19 response to show how effective communities are at delivering for their own people.

Many of the points raised in our targeted engagement sessions went beyond the scope of the current work

30.   Many of the points raised in this engagement went beyond the scope of the questions asked and the foundational settings workstream. We have captured this feedback and the broader topics that were raised throughout this report and will use these findings to inform the wider welfare overhaul work programme. We would like to acknowledge and thank those who participated.

Background information

31.   Since 2017, a large programme of work has been underway to overhaul the welfare system, in line with the Government's vision that people have an adequate income and standard of living, are treated with and can live in dignity, and are able to participate meaningfully in their communities.[3] Practical initiatives have included the introduction of the Families Package, increasing main benefits to the levels recommended by the WEAG, and the indexation of main benefit rates to average wage increases.

32.   In September 2021, Cabinet endorsed the renewed welfare overhaul work programme (SWC-21-MIN-0128 refers).[4] The renewed welfare overhaul work programme is publicly available on MSD's website.

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[3] https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/information-releases/welfare-overhaul-update/cabinet-paper-welfare-overhaul-update-on-progress-and-long-term-plan.pdf

[4] https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/information-releases/cabinet-papers/2021/welfare-overhaul-work-programme-update.html

33. A central part of the work programme focuses on the foundational settings of the welfare system, with a strong focus on improving outcomes for Māori, including a commitment to honour Tiriti obligations. This includes reviewing the purpose and principles of the SSA. MSD undertook targeted engagement to inform this work programme.

The foundational settings work programme explores changes to legislative settings of the Social Security Act

34. The focus of the engagement was to find out perspectives on changes to the purpose and principles of the SSA and to the design of te Tiriti clauses.

35. Purpose and principles statements in legislation are generally used to guide the interpretation of an Act. They describe what the Act is intended to achieve and help the agency or agencies responsible to make decisions when administering that Act. Decision makers are required to consider the purpose and principles of the Act when making statutory decisions.

36. The current purpose and principles of the SSA were introduced in 2007. Since then, the Social Security Legislation Rewrite Bill was introduced in 2016 and passed in 2018. The main aim of the Bill was to make New Zealand's social security law easier to understand, by modernising its language, drafting style and structure. It did not signal a major change in approach to social security.

37. More recent changes in the SSA have signalled a shift in approach by the Government to social security. Examples include, but are not limited to, the removal of some obligations and sanctions (such as the removal of the subsequent child policy and section 192 – where a sanction was imposed if the other parent was not named on the child's birth certificate); increases to main benefits and indexation of main benefits to average wage increases; the 2018 Families Package; and the increase to income limits for hardship assistance. All these changes have been focused on improving the wellbeing of those who need support from the welfare system.

38. Te Tiriti is not currently referenced in the SSA, and reviews of the welfare system have noted the need for a meaningful partnership between the Crown and Māori to address inequities that exist within the welfare system and to achieve enduring and sustainable outcomes for Māori.

39. In their 2019 advice to the Government, the WEAG recommended to 'include in the amended SSA specific requirements for the Chief Executive to be accountable to iwi (as recognised collectives) and to Māori (as individuals, whānau and communities) for achieving equitable outcomes for Māori from the welfare system' (recommendation 7 of the WEAG's report).[5]

There is an opportunity to amend the purpose and principles of the Social Security Act to position the Act in a wider wellbeing context

40. In line with recent changes to social security, there is an opportunity to amend the purpose and principles of the SSA to position the Act in a wider wellbeing context, consistent with other approaches the Government has taken to align with a wellbeing framework.

41. The current purpose and principles of the SSA do not reflect the full range of outcomes that the Act contributes to, such as support for those who care for others, and providing support for people with health conditions, injuries, or disabilities. The WEAG also noted in their 2019 report that the heavy focus on paid employment in the current purpose and principles of the SSA, along with

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[5] *Whakamana Tāngata – Restoring Dignity to Social Security in New Zealand*, The Welfare Expert Advisory Group Report, pg. 21.

increased obligations and sanctions, has created an imbalance in the social contract between MSD and clients.[6]

42. Through engagement we sought participants' feedback on how the purpose and principles of the SSA could be rebalanced to support wellbeing. While we did not provide a definition of wellbeing for the SSA, we did provide examples of how wellbeing has been defined in other workstreams and frameworks, such as Treasury's Living Standards Framework and He Ara Waiora, given that wellbeing is multifaceted and can be defined in many ways. We also provided an example to illustrate how the purpose and principles of the SSA might be revised to take a greater focus on wellbeing.

43. We used this wellbeing example to seek feedback on using the term 'suitable employment' in the purpose and principles of the SSA, to reflect the shift in approach towards wellbeing. Emphasising suitable employment would also improve consistency within the SSA, given that currently, suitable employment is defined in the SSA as part of the work test rules, though the same term is not used in the current principles of the SSA. While no changes to the definition of suitable employment are proposed at this stage of the welfare overhaul, the alignment of terminology will allow for further work to review this definition.

44. We asked the following questions about the purpose and principles of the SSA:

- From your perspective how do you think the purpose and principles could be rebalanced to support people's wellbeing?

- What impact do you think changing to 'suitable employment' would have?

There is an opportunity to reflect te Tiriti in the Social Security Act

45. In their 2019 advice to the Government, the WEAG noted key suggestions from people during their engagement in 2018 on how to improve the welfare system, which included developing a system that reflects te Tiriti. The WEAG also commended MSD on its Māori Strategy and Action plan, *Te Pae Tata*, reaffirming MSD's commitment to te Tiriti and to supporting and enabling Māori to realise their own potential and aspirations. Connecting te Tiriti objectives with the day-to-day operations of MSD will seek to improve the delivery of services in a way that is consistent with Tiriti principles, while at the same time improving the transparency and accountability of MSD's intentions.

46. Our Tiriti proposal for legislation is made up of two amendments to help improve the wellbeing outcomes of Māori engaged with the welfare system. This is done by clarifying the Crown's specific Tiriti responsibilities and strengthening MSD's duties under te Tiriti. The proposed amendments are:

- a general clause that confirms that the department must administer the SSA in a way that is consistent with the Crown's Treaty responsibilities, and

- a specific clause that would require MSD's CE to engage with Māori to develop and regularly report against a set of Tiriti-related objectives for the department.

47. We asked the following questions on the above potential amendments.

- Is this the kind of commitment to te Tiriti you would like to see in the Act; will it help address inequitable outcomes for Māori? Is anything missing?

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[6] The WEAG said 'The principles of the current legislation focus excessively on encouraging people into paid work, with little regard for the suitability of that work for their wellbeing….' *Whakamana Tāngata – Restoring Dignity to Social Security in New Zealand*, The Welfare Expert Advisory Group Report, pg. 66.

- What role could Māori have in the design, delivery, and oversight of CE accountability objectives?

In summary, we sought feedback on four broad questions to help development of options on the foundational settings work programme

48. Feedback was sought on the following questions.

   Review of the purpose and principles of the Social Security Act 2018

   - From your perspective how do you think the purpose and principles could be rebalanced to support people's wellbeing?

   - What impact do you think changing to 'suitable employment' would have?

   Development of Treaty provisions (general clause and CE accountability clause) for the Social Security Act 2018

   - Is this the kind of commitment to te Tiriti you would like to see in the Act; will it help address inequitable outcomes for Māori? Is anything missing?

   - What role could Māori have in the design, delivery and oversight of CE accountability objectives?

Engagement details

Approach and methodology

49. Due to timing constraints of the work programme, targeted engagement was undertaken from mid-February to 1 April 2022 (approximately six weeks). Te Arawhiti's Māori engagement guidelines recommend a high degree of engagement with Māori on issues that have a substantial impact on their communities and whānau, such as the proposed introduction of Tiriti accountability in the SSA.

50. We anticipated that there would be interest from a wide range of partners and stakeholders regarding both Tiriti accountability and the proposed wellbeing approach to amending the purpose and principles of the SSA. As such, we worked to make the targeted engagement as comprehensive as possible within the timing and Covid-19 related constraints.

51. The engagement was targeted to organisations and groups with whom MSD had existing relationships. Stakeholders that participated included:

   - Tiriti partners, Iwi and Māori representative groups

   - Māori organisations

   - MSD staff

   - MSD clients

   - social service providers, NGOs and community organisations

   - advocacy groups

   - academics

   - representatives from Pacific peoples' and disabled people's organisations

   - academics, experts and researchers

   - business group representatives and employers, and

   - members of the WEAG.

52. In light of Covid-19 health and safety requirements, the engagement approach was sensitive to, and realistic about, the priorities and urgent needs of

communities during Aotearoa's response to Covid-19. Many stakeholders were involved in coordination, advocacy, leadership, and service delivery to support communities throughout Covid-19 impacts and forms of recovery.

53. For this reason, engagement through online methods was prioritised to support safe and accessible interaction. Alternative options were provided for those with limited digital connection (i.e. phone and written submissions).

54. A principled approach was followed, ensuring that we reflected:

- respect – we engaged in a culturally appropriate way, respecting individual needs

- safe and accessible – no barriers to engagement and allowing safe channels to share insights

- trust – we communicated in an open and transparent way, and

- flexibility – we were responsive and flexible, to ensure we were able to get as many participants as possible over the six-week engagement period.

55. Engagement channels included:

- 61 online engagement hui

- written submissions (via email or post, made available to those who could not attend an online hui or who wanted to provide additional information following a hui), and

- a closed survey (made available to those who could not attend an online hui).

56. Online engagement sessions grouped stakeholders according to the areas of experience and knowledge. Content and questions for these sessions were adapted accordingly, to provide the best platform for discussion and insights on areas relevant to the attendees.

57. Sessions focused on the review of the purpose and principles of the SSA asked the following questions.

- From your perspective how do you think the purpose and principles could be rebalanced to support people's wellbeing?

- What impact do you think changing to suitable employment would have?

- Is this the kind of commitment to te Tiriti you would like to see in the Act; will it help address inequitable outcomes for Māori? Is anything missing?

58. Sessions focused on the development of te Tiriti provisions for the SSA asked the following questions.

- Is this the kind of commitment to te Tiriti you would like to see in the Act; will it help address inequitable outcomes for Māori? Is anything missing?

- What role could Māori have in the design, delivery, and oversight of CE accountability objectives?

- From your perspective how do you think the purpose and principles could be rebalanced to support people's wellbeing?

Engagement responses and limitations

59. We met with over 500 people, over the course of our engagement, through 61 targeted engagement hui. These hui were held online and generally lasted 1.5 hours.

60. We also received nine submissions and had six responses to the closed survey. The low number of submissions and survey responses reflects the large number of people who chose to engage with us through our online hui.

61. We heard from a range of New Zealanders, with representation from all the stakeholder groups listed above. Targeted engagement, however, by its nature placed limitations on the breadth and depth of engagement. For example, wider public engagement was not undertaken, and a wider range of employers could not be represented (such as small and medium size employers), or the full range of interest groups that may have an interest in the SSA.

Analysis

62. Thematic analysis was undertaken to interpret the findings from the range of engagement input. The aim of thematic analysis was to organise qualitative findings in a meaningful way. It should be noted that because the focus of the thematic analysis was to group the feedback and insights of participants into high-level themes, the report cannot discuss every unique response provided by participants. However, care was taken to note commonly expressed views and where present, to highlight any contradicting views.

63. Given the nature of large group hui, the insights do not quantify how many people shared particular experiences or views. All the quotes used in this paper are reported verbatim, with no corrections made. They have been anonymised and referenced by the group they represent.

64. While the focus of this engagement was on proposals relating to the options for amending the SSA within the foundational settings work programme, many people provided feedback on wider themes and concerns about the welfare system. We have captured this wider feedback where possible in this report for completeness. Much of this feedback was similar to the findings of the WEAG in 2019.

What we heard about reviewing the purpose and principles of the Social Security Act

65. Engagement sought feedback on two aspects of amending the purpose and principles of the SSA: to promote the wellbeing of people supported under the SSA; and to rebalance the emphasis on employment. We provided an example, in the *Foundation for change* document, as to what a new purpose and principles of the SSA could look like if we were to apply the wellbeing approach, including a shift from the term 'paid employment' to 'suitable employment'.

There was consensus on the need for change in legislation to be followed through by implementation

66. Respondents were asked how they thought the purpose and principles could be rebalanced to support people's wellbeing.

There was general agreement that the purpose and principles of the Social Security Act should be amended...

67. There was agreement that the purpose and principles of the SSA should be amended by almost all participants, but there were mixed views on the way the purpose and principles should be framed, and if reflecting wellbeing was appropriate.

68. Support for change centered around clarifying the importance and key functions of the welfare system and raising the ambition of the current intent of the SSA to

achieve wider outcomes, such as eliminating poverty or providing dignity (suggestions that were provided are covered further down in this report).

69. There was consensus from most that the tone of the SSA could be shifted to better reflect the importance of the welfare system for all New Zealanders, and the legitimacy of the support it provides to people who receive government assistance when they are unable to achieve an adequate standard of living. Participants had different ideas about how to do this, but there was broad agreement that changes should reflect the value of the welfare system for everyone, not just those getting a benefit.

70. Academics in particular mentioned the broad benefits that the welfare system delivers for the whole community, including recognising the wider contributions of carers to society, ensuring particular groups are not systematically harmed by economic cycles, reducing inter-generational transmission of disadvantage, minimising the stigma for those who are receiving welfare, and demonstrating the value of the system for those who will never use it. People who raised this point wanted to see a rebalancing of the focus from emphasising work, targeting and conditionality towards taking a 'life-course' focus and enabling people to respond to a more complex world. Many people wanted the purpose and principles of the SSA to be broadened to be more inclusive of and positive about these functions.

71. Discussions in support of amending the SSA also demonstrated that participants wanted to take the opportunity to reflect explicit values in the purpose and principles and raise the level of ambition. Again, there were different ideas, as set out below in the discussion on wellbeing, and in the sections about reflecting te Tiriti in the SSA.

... but respondents consistently raised the need for legislative change to be supported by practical operational changes

72. Participants commonly reported that any legislative changes to the purpose and principles of the SSA need to be supported with practical operational changes if wellbeing is to be the focus of the system.

> *"But what does this mean past words on a piece of paper, in practice at a local Work and Income?"*

73. Participants provided examples of the barriers that exist to achieving wellbeing through the current operational settings, such as: a lack of trust in MSD and the Crown; inadequate levels of income; creation of hardship through recoverable assistance; a focus on efficiency over service; and a focus on KPIs rather than what is best for individuals.

74. Some participants reported that a focus on improving wellbeing could be supported by MSD if it involved operational changes such as:

- building relationships with clients based on trust and mutual respect

- encouraging a less adversarial environment when engaging with clients

- better meeting the needs of clients by ensuring they get all the supports and services they need and are entitled to under the SSA

- tailoring supports and services to what people need

- broadening the range of supports and services offered

- improving accessibility to services and support, and

- removing complexity, where possible, and being as transparent as possible about the support available to people.

Wellbeing was commonly understood to be a multi-dimensional concept, but there was no single definition

75. People understood the term 'wellbeing' to mean different things, but nearly all the participants we heard from across the full range of stakeholder groups believed that wellbeing is a holistic term that incorporates many different areas of a person's life. The concept of wellbeing was seen as encompassing material, emotional, physical, and spiritual dimensions, and there were discussions about both individual wellbeing as well as family/whanau wellbeing.

76. In the context of the welfare system, some common topics that came out of discussions on how wellbeing could be defined included: adequate incomes; the four dimensions of hauora; intergenerational sustainability; whānau and community; housing; physical and mental health; meaningful choices; cultural connections; upholding mana; elimination of poverty; and community wellbeing.

77. A consistent message in talking with clients was that wellbeing has the potential to reflect care, support, and understanding that could lead to a better quality of life.

There were different interpretations of what made up wellbeing

78. Some of the participants felt that it should be based on te ao Māori expressions of wellbeing, and reflect the four dimensions of hauora:

    - taha wairua (spiritual wellbeing)
    - taha tinana (physical wellbeing)
    - taha hinengaro (mental and emotional wellbeing), and
    - taha whānau (social wellbeing).

79. Most of the participants commented on the strong connection between individual wellbeing and the wider whānau and community, and the need to move away from an individualised approach to services and support, as well as the importance of ensuring social inclusion through the SSA.

    > *"You can't create the individual wellbeing without being involved in creating the community wellbeing."* [7]

80. Focusing on whānau wellbeing would require changes to the SSA that work towards independence and empowerment, to allow whānau to succeed on their own.

81. We also heard from some participants that there are other frameworks that potentially had more merit than a wellbeing framework, such as Mason Durie's Mauri Ora approach, the Maslow Hierarchy of Needs, and Amartya Sen's capability approach.

People suggested defining wellbeing for clarity and consistency

82. While most of the participants acknowledged that wellbeing is hard to define, many participants said that if a term such as wellbeing were to be used, then the purpose and principles of the SSA should help those administering the SSA to understand its intent. Many people commented that the lack of a definition would lead to confusion, inconsistencies, and disputes, differences of opinion or misunderstandings between MSD staff and clients.

    > *"Need a definition as this is about changing behaviour – how will an undefined term be interpreted in the absence of some sort of definition."* [8]

83. Some of the participants provided other references in the social sector that could be used to help define wellbeing, including the Fonofale model, He Ara Waiora,

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[7] MSD staff
[8] Academic group

Social Wellbeing Board, United Nations Declaration on the Rights of Indigenous Peoples and the 1972 Report of the Royal Commission of Inquiry into Social Security.

84. Most of the participants agreed though that if wellbeing is to be used in the SSA, clients would need to have the ability to define what wellbeing meant for them; that it should not be up to just MSD to impose their interpretation of wellbeing on any individual.

Some supported refocusing the purpose and principles to improving wellbeing, but with caveats

85. Participants felt that wellbeing is a good approach in principle, but it needs to be delivered using a strengths-based model.

86. Feedback from MSD clients was that they supported a shift to a focus on wellbeing. Their interpretations of what wellbeing would mean in a social security setting varied, but certain points were raised repeatedly such as:

   • being cared for

   • having their needs met

   • living comfortably with adequate accommodation and food

   • whānau support, personalised support tailored to their situation, and

   • more flexibility, understanding and proactive care.

87. For a few clients a 'wellbeing focus' fitted with their current perception of MSD and with the level and type of support they had received. For others, it gave them hope that changes lay ahead – that a change to a wellbeing approach would mean getting more than the bare minimum, which would alleviate anxiety and show that someone cares. They felt it would offer MSD scope to design processes and systems that will make a real difference for clients. Clients felt that implementing this change, and seeing it represented in changes to the support and services that are offered to them, as being vital.

   > *"It would mean they won't get angry so quickly with clients. It would make a huge difference for how people interact with MSD." [9]*

88. Some participants supported a wellbeing approach, but suggested a cross-government approach was needed to ensure other essential aspects of wellbeing are included, such as health, education, and housing. We heard from participants that a consistent, all-of-government wellbeing framework would need to be adopted by all agencies.

   > *"Wholeheartedly agree not a single agency, it's a village, it's the system, every other agency needs to contribute." [10]*

Others disagreed with refocusing the purpose and principles on improving wellbeing

Some preferred a focus on dignity rather than wellbeing

89. Some participants (particularly advocacy groups, service providers, MSD staff, reference groups, academics, Tiriti partners and the WEAG) argued that dignity should replace wellbeing as the primary focus for amending the purpose and principles of the SSA.

90. We also heard from participants that a legislative requirement to treat people with dignity would direct the system to better support people with health

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[9] Client
[10] Pacific representative

conditions and disabilities, whereas the proposed draft principles perpetuate the medical model of disability, with terms like 'provides support to' which looks at people's deficits. Participants, particularly disabled people, told us that what is needed is removal of the obstacles that hinder people from accessing the supports needed to live with dignity.

91. We heard calls from some of the participants for the legislation to reflect the social model of disability, the New Zealand Disability Strategy, and the United Nations Convention on the Rights of Persons with Disabilities, in Aotearoa.

Some preferred a focus on improving income adequacy and eliminating poverty, rather than wellbeing

92. Participants told us that the overall intent and purpose of the SSA should be income adequacy and the prevention of poverty, and that a focus on wellbeing needed to be coupled with providing an adequate standard of living. We heard from participants that the social security system does not provide enough income for people to keep them out of poverty, or to fully participate in society.

> *"We want meaningful participation and belonging, adequate support to enable meaningful participation in the community."* [11]

93. Some of the participants told us that the purpose of the SSA should be to eliminate poverty, not just alleviate it, and that a change of this nature would allow the system to be transformative.

Some reported that the current system was not well placed to support a broad wellbeing focus

94. Some participants felt that the use of wellbeing was not an appropriate approach for the SSA, because the Act is only focused on a narrow aspect of wellbeing. They commented that the proposed changes still deliver a system based on targeting and conditionality – an approach that evidence indicated did not support wellbeing.

95. Those who said that a wellbeing approach was inconsistent with the current system were of the view that systemic change would be needed to improve wellbeing. They identified several current policies and practices that were inconsistent with a focus on wellbeing including: sanctions; applying stand-down periods for those applying for a main benefit; having preferred suppliers; complex and bureaucratic processes; having unrealistic deadlines for clients; and the inaccessibility of some services and support.

96. Having sufficient income is key to wellbeing. Participants reported that the system needed to do better to ensure people received their full and correct entitlements. We were also told by participants that the requirement to pull from all the resources available to you before seeking government support does not contribute to a person's wellbeing.

Some reported a focus on wellbeing did not go far enough

97. Other participants felt that the way wellbeing was being used did not go far enough and that the purpose of the SSA needs to be more aspirational, inspiring, and liberating. Participants felt the purpose of the SSA needs to focus on outcomes rather than functions. They told us that it's not helpful to start with what the SSA does, but rather what the Act intends to achieve. Some examples of their suggestions include:

> *"Securing a dignified existence/averting or compensating for the particular burdens of life."* [12]

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[11] Academic group
[12] MSD staff

> *"Contributing to a just, inclusive and sustainable society."* [13]

> *"Allow all to participate in society… achieve potential to live fulfilling lives."* [14]

> *"Adequate standard of living, participation and belonging."* [15]

Other key areas to consider in amending the purpose and principles of the Social Security Act

Any amendments to the purpose and principles of the Social Security Act need to reflect and include vulnerable communities

98. Participants commented about the need for visibility of people who are not currently referenced in the purpose and principles of the SSA. Advocacy groups, service providers, MSD staff, academics, reference groups, Tiriti partners and the WEAG felt this needed to be addressed to ensure we prioritise support for our vulnerable communities. We heard from some of the participants that people with disabilities are overrepresented in the welfare system but underrepresented in the proposal. Participants felt that while the wording was trying to be inclusive of all people, it needed to do more to address inequities.

99. Some of the focus areas participants would like recognised in any amendments to the purpose and principles of the SSA are: tangata whenua; people with invisible disabilities and severely disabled people; working poor; migrants; Pacific people; older people (under 65 years); homeless; and rangatahi.

> *"Missing key people the benefit supports – disabled, Māori and Pacific People. Māori are first out of the workplace and last into work when there is an upturn in the economy. The welfare system isn't working. Your chances shouldn't depend on race or ethnicity."* [16]

Using wellbeing means considering when decisions need to be devolved to the regional, local and community levels

100. We heard from a lot of the participants that decentralising decision making and the delivery of services and supports could help to alleviate some of the issues that exist in the system. Many of the participants told us that Covid-19 showed that the way to effectively deliver services and supports was through local providers.

101. Many told us that wellbeing would be better delivered by community service providers. We heard some Pacific people and Māori are more comfortable seeking assistance from providers that they know and trust. Many called for Māori to be resourced and given autonomy to provide by Māori for Māori services. The whānau-centred approach was mentioned often as a model of how services and supports should be delivered by the welfare system.

102. Participants also told us that providers are already delivering interconnected whānau-centred services, taking a holistic mana-enhancing approach and asked that MSD enable more of its supports and services to be delivered locally, by people who know their communities and know what is needed.

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[13] Academic group
[14] Advocacy group
[15] Academic group
[16] Academic group

What we heard about moving to a focus on suitable employment

Few supported the narrow focus on paid employment, but there was no agreement on moving to suitable employment

Most participants supported moving away from focusing on just paid employment

103. Almost everyone that we engaged with supported rebalancing the SSA's current focus on 'paid employment'. A focus on paid employment was interpreted as clients being encouraged to take any paid job. We heard from MSD clients that the focus on moving into paid employment rather than a suitable job had contributed to their frustration, stress, and anxiety.

104. We heard from participants that the current focus on just paid employment leads to unsatisfactory outcomes and a large number of people churning on and off benefit. We also heard from participants that people on low incomes are barely better off being in work due to either the costs involved, or the penalties incurred for moving into work. For example, abatement rates, secondary tax, or losing their benefit doesn't necessarily mean people feel better off even when in paid employment.

105. MSD staff also highlighted the need to recognise part-time employment and other non-paid work such as caring, volunteering, training, and self-improvement. The MSD staff we engaged with considered these to be equally as important as paid employment for the impacts on whānau, community, and individual wellbeing, and some noted that they can help people on a pathway towards suitable employment.

106. A small number of participants advocated for retaining the strong focus on paid employment in the SSA, without reference to suitability. They felt that suitable employment could be taken advantage of, and that as long as no barriers exist then any job should be deemed suitable.

107. These participants felt that the introduction of suitable employment could be seen as a way to opt out of employment, and while support is important, there needs to be a mechanism to encourage people to work. Some of these participants stated that paid employment is the main way to increase people's incomes and so is good for individual and whānau wellbeing. Others also raised the point that even though a certain job might not seem suitable in its own right, it may help to achieve a suitable role in the longer term.

> *"Employment could also be a steppingstone, and the job might not be suitable at the moment but could put someone on the right path."* [17]

A focus on suitable employment would require a clear definition but there was no consensus on what it should cover

108. Participants were evenly divided on whether 'suitable employment' was the appropriate term to deliver the necessary improvement in wellbeing. There was general consensus from MSD staff that suitable employment means different things to different people.

109. Half of the participants we heard from supported the term 'suitable employment'. While the other half had concerns that suitable employment was not the right framing and provided a number of suggestions such as: mana-enhancing

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[17] Business group representative

employment; sustainable employment; meaningful employment; and appropriate employment.

110. Participants were concerned about the negative context of 'suitable' given the way it is currently defined in the SSA, and that MSD determines the suitability of a job to meet the work test. Participants commented that to signal a change in approach 'suitable' would need to be redefined to avoid confusion or misinterpretation.

111. Participants provided a wide range of interpretations of how to redefine suitable employment, such as:

- including unpaid work like caring and volunteering
- meeting the needs of individuals and their family/whānau, and what is right for their wellbeing that enables them to thrive and uphold their mana
- sustainability of the work, including financial sustainability
- matching the person's skills and experience with appropriate work
- suitability of hours and other conditions
- providing opportunities for growth and to upskill and develop, and
- flexibility to allow for different types of work, including part-time and casual work.

There were differing views on the centrality of suitable work to achieving wellbeing

Supporters of a focus on suitable employment reported it was central to wellbeing

112. Participants who supported the term suitable employment felt that it lined-up well with wellbeing, and that it would improve sustainability of employment and decrease welfare dependence. They considered that introducing the term 'suitable' employment would reduce the prospect that clients could be encouraged to take 'unsuitable' employment, which would not lead to the positive outcomes indicated.

113. More specifically, MSD clients were very supportive of the introduction of suitable employment, and they considered it integral to their wellbeing. They felt it showed that MSD cared about the person and would result in improving the relationship between MSD and clients. Many claimed it would mean a shift from feeling like meeting with a case manager was something they have to do, and instead clients would want to come to MSD for support.

114. MSD clients felt that staff would prioritise finding a role that matched their skills, qualifications, interests, and personal situation, rather than forcing them into a job that did not suit their situation due to meeting targets. They also felt that this would improve the chances of staying in a job much longer because the work was based on what was suitable for them and their individual circumstances.

However, others expressed concern about the availability of suitable employment to support wellbeing

115. Some participants felt that employment doesn't necessarily provide the best opportunity to achieve wellbeing, citing the large number of people who are in work, but still live in poverty. Participants felt that the growing number of working poor presents a challenge to the idea people can move into suitable employment.

116. Participants told us that ensuring that people are actually better off in employment should be looked at. We also heard from participants that the current system makes this difficult, complex, and often hard to move into a

situation where they are in a sustainable long-term job that makes them better off.

Many participants highlighted that employment is only one dimension of wellbeing

117. While participants acknowledged that paid work is an important aspect of wellbeing, they also felt that we need to consider the contribution of unpaid work to people's wellbeing. Participants often referred to terms such as 'meaningful participation', and 'earning, learning, caring, and volunteering' as being just as important as employment to their wellbeing. We also heard from participants that being forced into inappropriate work can be detrimental to a person's wellbeing.

> *"Mahi can be lots of different things and standard paid employment isn't always the best for wellbeing. For example, working on the marae, caring for mokopuna."* [18]

118. We heard from participants that many clients had other needs central to their wellbeing that had to be addressed before they could consider employment. Some of the participants suggested that these things usually fall outside the purview of the SSA, for instance, mental and physical health, education or training, caring responsibilities, housing and so on. Participants called for multidisciplinary teams and different approaches to support holistic wellbeing and considered that employment cannot be seen as the only or most important element of the wider wellbeing picture.

119. We heard from participants that the combination of low pay, precarious employment, difficulties in getting adequate additional support and other challenges causes a great deal of stress and anxiety. Participants called for significant changes to the system to overcome this and ensure that wellbeing was prioritised. If the system could do this, then the participants felt it would be welcomed, but they were pessimistic about whether this is the kind of change that would be coming.

There was concern that a strong focus on suitable employment could undermine the value and contribution of unpaid work to individual and wider wellbeing

120. Some participants commented that the proposal was still too focused on paid employment, which did not reflect the varying essential unpaid roles that many people undertake. We were told by the participants that these are equally as important as paid work as they provide significant value to supporting the individual, whānau and community. Participants commented that clients were being penalised for not finding work, when what they were doing was essential to the whānau or community, and the SSA must recognise this.

121. Participants commented on the value of volunteers, which service providers and community organisations rely on, but the SSA does not recognise nor allow for this contribution. We heard from participants that any changes to the purpose and principles of the SSA should reflect people's entitlement to receiving full support and to live with dignity, regardless of their ability to contribute to the community.

Participants had concerns about who defines 'suitable employment' and how it is implemented.

There were differing views on who should decide what employment is suitable

122. Concern was expressed by some participants that if MSD determined what was suitable for a client, the job seeker's voice would not be heard, undermining any potentially positive outcomes of shifting to suitable employment. Part of this

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[18] Iwi group

concern is related to the way the SSA provides discretion for MSD to determine suitability within the terms of the work test rules.[19]

123. We heard from some participants that a clear definition is necessary to prevent misuse and challenges in Court. We also heard from participants that if it is to be MSD's determination of suitability, the SSA should prescribe criteria that MSD must consider. There was concern that no matter how it is framed, if MSD has purview over what is deemed suitable, issues will arise.

124. While some participants felt that what is suitable should be determined in collaboration between MSD and the client, more felt that the client needs to determine what is right for them. There were, however, some participants who did not agree that clients should determine what constitutes suitable employment. These people were concerned that this could lead to some people taking advantage of the process, and not look for work at all.

Participants had concerns about how suitable employment would be operationalised to give it effect

125. Some of the participants believed that a change in focus to suitable employment that supports wellbeing is the right approach but that this approach must be implemented alongside operational changes within MSD. These included understanding the individual's whole situation; working with the wider whānau to develop pathways that focus on holistic wellbeing to include all the challenges and barriers to employment that people might face. Participants wanted to see changes that went beyond 'merely tinkering' with the SSA and were seeking more transformational change.

126. We heard from participants that some of the operational changes should include:

- allowing much more time with clients to understand their situation

- developing long-term pathways that include support beyond direct employment support

- MSD staff training in how to deliver suitable employment, and

- developing different measures/targets as well as more working with employers to build their capability to recruit the right people for their work.

Other key areas to consider in moving to a focus on suitable employment

Suitable employment requires suitable employers

127. Participants felt that suitable employment could only be achieved if there were suitable employers who are committed and have the capacity to grow and support people; pay the living wage; and are flexible to accommodate for a wide range of needs. Participants felt that MSD's current approach to benefit exits meant they were not ensuring people have suitable and appropriate employment conditions. MSD staff echoed this concern, highlighting that the current targets/KPIs do not encourage consideration of suitable employers.

128. Some participants indicated that MSD had a role in encouraging employers to provide suitable employment opportunities. It was highlighted, including by businesses, that employers can struggle to provide the ongoing support that is necessary to sustain suitable employment beyond the initial placement, and that they would like to see MSD working with employers and employees for longer periods to ensure the placement is embedded.

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[19] Section 145 of the Social Security Action 2018 sets out the meaning of suitable employment as "*employment that MSD is satisfied is suitable for a work tested person to undertake for a specific number of hours per week that MSD determines, having regard to the employment required to satisfy the work test for that person*".

129. Taking a broader view of job suitability and supporting employers to adapt jobs to people's needs would help employers get and retain the right workers.

> "*A lot of employer education that needs to be done, obligations to people who have health conditions, injuries and disabilities, huge gap, facilitate and educate employers into hiring these people in the untapped hidden market, hard health and safety, reconfigure office, doesn't have to be that hard, with right advice and support it can be done.*" [20]

130. MSD staff echoed this concern, highlighting that the current targets/KPIs do not encourage consideration of suitable employers. However MSD staff also wanted to point out that for some people a key part of the approach may be taking certain short-term roles that can help to build up the skills or experience with appropriate employers that are necessary to prepare them for longer term roles.

The availability of employment support is crucial to achieving suitable employment outcomes

More people need individualised support to move into suitable employment

131. Many of the participants called for individualised approaches to determining the support they need. It was suggested that working one-on-one with clients will allow MSD to understand each person's unique situation, their skillset and what they want to achieve. We heard from participants that these approaches should include detailed assessments of the barriers that need to be overcome to achieve readiness for suitable employment. Not all of the barriers that the participants identified will be employment specific but addressing these will contribute towards the aim of ensuring the person is ready for suitable employment.

132. Some of the MSD staff we heard from provided examples of the barriers that need to be addressed before they can start looking at employment such as mental health, disability, housing and addiction. MSD staff said that there is a need to build a relationship of trust with clients to understand their needs and have an ongoing relationship to allow them to work with clients and update the support over time.

133. The whānau ora approach was cited as a model for how this could work, in a supportive and mana enhancing way. We heard from participants that to address these barriers a multi-disciplinary and cross-agency approach was necessary to support those further away from the labour market, instead of targeting those who are ready to work.

134. There was a general consensus from the participants that working with clients in an individualised approach will help illustrate the value of certain roles, along with other employment supports and training, to achieving suitable long-term employment. More generally, participants pointed out that tailoring support would require dedicated case managers, as well as a welcoming environment pivoting on treating all clients with respect. Some of the participants (including MSD staff) also commented that this would require a culture change at MSD—to change the attitudes and judgements of staff towards beneficiaries*.*

Employment support needs to be readily available to those further from the labour market

135. We also heard from participants that MSD targets support to those it deems ready for work, but that there are many people wanting to work who need more

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[20] Iwi provider

support but are not able to access the help they need. We heard from disabled clients that:

> "*everyone who wants a job should be able to work, issue around disability isn't around ability to work, it is about issues in the workforce and how to support them into the job.*" [21]

136. We heard from some of the participants that looking at what work people could do and providing tailored employment and other support would assist people with greater labour market challenges to obtain suitable employment. However, we also heard from some of the participants that some of MSD's settings (e.g. the 15-hour rule for Supported Living Payment recipients) disincentivise work.

137. Participants also raised concerns relating to MSD staff attitudes, stigma, and discrimination within MSD and in the labour market. We heard from participants that flexibility is necessary to consider suitable employment in a labour market where not everybody is received equally. Some of the participants told us that there is considerable discrimination against groups such as disabled people, Māori and Pacific people, and ethnic communities in the labour market.

More support is needed for people to stay in employment given the changing nature of work

138. Participants often spoke about the need to provide greater support for people in particular forms of employment, such as unsteady casual work, part-time work, self-employment, and social enterprise. We heard that people in these types of roles have a range of needs and challenges that are not adequately addressed by the rigidity of the current system, which focuses on 'in or out of work' and the emphasis on benefit exits.

139. Participants reported that interacting with the welfare system was challenging for those with unpredictable weekly incomes. Fear and uncertainty about how working one or two extra hours will impact benefit payments discouraged some people from working more hours.

140. Participants also wanted to know the link between the proposed NZ Income Insurance Scheme and the SSA. They commented on the need for alignment between the two systems. Participants sought clarity on whether welfare would remain targeted with the move towards social insurance becoming the source of support for unemployment, and how the purposes and coverage of the systems would fit together.

MSD's KPIs and targets need to create the right incentives to move people into long-term sustainable employment

141. We heard from MSD staff, Tiriti Partners, service providers, advocates, and clients that the current use of targets/KPIs drive a focus on short-term outcomes and behaviours that result in unsustainable and unsuitable employment placement, creating churn on and off benefit.

142. MSD staff stressed that they were trying to focus on suitable and sustainable employment where possible, but they often are not given the time, or do not have the capacity, to do so. Many of the MSD staff we heard from suggested a move away from the strong focus on 'any' paid employment, which must flow down through messaging and adjustments to KPIs and targets to reflect suitable employment. MSD staff felt that the drive to meet targets was at odds with meeting the needs of many clients. Some staff commented that the current pressure of targets and KPIs were driving 'box ticking' behaviour, with clients

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[21] Client

often being placed into unsuitable roles because there is more pressure to prioritise targets rather than ensuring the best outcomes for the client.

> *"The pressures that comes down on the case manager to reach employment targets has a big impact on what type of mahi we place our clients into."* [22]

143. This point was reiterated by others we engaged with who suggested that providing suitable employment would require assessing a client's whole situation, addressing the multitude of challenges and barriers that many clients face, and maintaining an ongoing and close relationship to help people move into and retain suitable employment. A range of stakeholders, including numerous MSD staff, highlighted that this approach required more case managers with smaller caseloads and training for MSD to deal with the complexity of suitable employment.

144. Service providers also raised that current contract funding incentivises getting people into any job as quickly as possible, rather than taking the time to work with them and meet their longer-term needs. Some of the participants commented that iwi already focus on suitable employment, but there has not been enough support for iwi and community-led solutions. Overall, there was a call from the participants to enable community-led and iwi-led support to address some of the barriers people face to transition into suitable employment.

What we heard about embedding te Tiriti o Waitangi into the Social Security Act

145. Engagement sought feedback on two proposed amendments to the SSA:

- a general clause that confirms that MSD must administer the Act in a way that is consistent with the Crown's Treaty responsibilities, and

- a specific clause that would require MSD's Chief Executive to engage with Māori to develop and regularly report against a set of Tiriti objectives for the department.

146. To support our discussion on te Tiriti clauses for the SSA, we provided examples of general te Tiriti clauses that have been used in other legislation and asked people whether this was the kind of commitment to te Tiriti that they would like to see in the SSA. We outlined how general Tiriti related clauses have changed over time from having loose terms such as 'may consider' or 'take into account' to tighter and stronger language such as 'must give effect'. We also discussed whether a general Tiriti clause would help address inequitable outcomes for Māori and if anything was missing or whether there were any other suggestions for us to consider.

Including a Tiriti clause to the Social Security Act was supported but guidance was offered on how it could be reflected

147. There was general support from those we engaged with to have a Tiriti clause in the SSA, with some people expressing surprise that it was not already in the Act. Participants also told us that having a Tiriti clause in the SSA offers huge potential for change and strengthening the legislation to this effect is a good first step. They also expressed a desire to go further than the scope of the proposals

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[22] MSD staff

we engaged on, though they indicated that the proposed amendments were better than not having any reference to te Tiriti at all.

We heard commitment to te Tiriti should be woven through the Social Security Act

148. Participants (including MSD staff, service providers, reference groups, and advocacy groups, as well as Tiriti partners) told us that there needs to be consideration of how te Tiriti influences the SSA as a whole, rather than pigeonholing te Tiriti in a general or specific clause and considering that to be a sufficient commitment to Māori. Many of the participants stated that the commitment to te Tiriti needs to be deeper than a general clause. They commented that te Tiriti needs to be woven throughout the SSA, as it has the potential to provide the foundation for the change that is needed.

149. Participants commented that the SSA should align with te Tiriti (not the English version) and reference the Articles of te Tiriti rather than the principles. We heard from participants that the principles are a Pākehā construct and that the Articles should be at the front of the commitment to te Tiriti. We also heard from participants that a general clause that references the principles was thought to be insufficient to addressing what were strongly seen as deliberate persisting inequities. Participants encouraged us to consider the opportunity to approach Article 3 in an unprecedented manner and lead the way for other agencies to follow. Participants commented that we need to start with te Tiriti, not the principles, and use Article 3 as the necessary gateway to address inequity.

150. Participants told us that in order for a modern SSA to commit to Māori and address inequitable outcomes for Māori, the purpose of the general clause has to be to address inequities and set up a system that has a pro-Māori approach.

> *"That ought not be threatening, it is not a threat, it is an opportunity to get things right and people have to understand that."* [23]

151. Participants considered that a pro-Māori approach is necessary because the SSA has so far excluded Māori and their ways of living. Participants asserted several times that a Tiriti clause is particularly necessary because Māori have been affected by a long-term structural approach to denying Māori rights and achievement.

152. We heard from participants that any commitment to te Tiriti in the SSA needs to be future proof so future generations do not have to revisit the same fight. Participants were concerned about the ever-changing political environment, which can affect the level of commitment to te Tiriti and Māori.

The legislation should be using iwi, hapū and whānau, not Māori

153. Participants often questioned what we meant by 'Māori'. We heard from participants that te Tiriti was signed by the Crown and iwi and hapū rangatira, and that the wording in any proposal should be whānau, hapū and iwi, not Māori. We also heard from participants the importance of recognising the diversity within Māori, and to consider how the proposed amendments to the SSA will affect those who did not sign te Tiriti.

> *"Who are we talking about? Iwi Māori, hapū Māori, whanāu Māori, those who sit outside all those communities?"* [24]

154. We heard from participants that it is hard to define Māori in terms of individuals or collectives, as different iwi and hapū, and Māori determine this and have different definitions as well as different interpretations of a Māori world view. Participants told us that we need to be cognisant of this when using words, so

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[23] Group of experts
[24] Iwi provider

that legislation does not homogenise Māori and instead recognises the diversity of Māori.

Any Tiriti-related proposal needs to have strong, direct, and unambiguous language to guide action

The language need to clearly tie MSD to action

155. We heard very strongly from participants that any Tiriti-related proposal for the SSA needs to have strong and direct language focused on genuine partnership and working towards improving equitable outcomes for Māori.

156. Participants considered the language and tone of how other agencies have referenced general Tiriti clauses in their Acts to be dated, with some people using the terms *'hedging language'* and *'weasel words'* to describe the wording. There was a strong call from the participants to use language that is strong and unambiguous.

> "*Put a stake in the ground, [say we are] 'honouring the Treaty of Waitangi within MSD, in order to honour it we will', not saying we might, but being deliberate about the language and then the action will follow.*" [25]

157. Participants wanted to see us move away from the use of soft language in the draft CE accountability objectives towards language that committed MSD to action, even when relationships were difficult.

> "*the language needs to be strong, with no 'outs' for MSD if they are finding the relationship difficult.*" [26]

However, there were varied positions as to whether kupu Māori should be used

158. Some Tiriti partners, service providers and advocacy groups felt that kupu Māori (Māori words) should not be used as translation becomes an issue. There was concern from some of the participants that when kupu Māori are used in legislation it can become the purview of the Courts to determine what that kupu means, with a view that there should be no interpretation beyond te ao Māori.

159. Others told us that having a taonga such as te reo Māori in the SSA was important as part of the recognition that te reo is an official language of New Zealand. We heard from participants that building awareness around the use of te ao Māori is important.

Participants also called for wider changes to support any Tiriti-related proposal

MSD needs to recognise the historical context of colonisation and the intergenerational impact on Māori

160. Participants emphasised the need for recognition of the intergenerational impact of colonisation. Many Tiriti partners expressed a strong desire that any amendment leads to independence from, rather than dependency on, the state. We heard from participants that this pathway of dependency is a crucial part of the story of colonisation and the disconnect of Māori from their whakapapa. Participants told us that this created dependency and tells Māori that the Crown is the best provider of welfare for Māori, when Māori are the best welfare providers for Māori.

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[25] Iwi provider
[26] Māori Womens Welfare League

> *"Talking fourth generation of whānau been in the system, and it becomes a part of the norm, get to a certain age and get onto the benefit because that is what has happened."* [27]

> *"the more that disconnection is allowed to happen, the more dependency grows."* [28]

161. Participants suggested that dependency on state welfare marginalises better welfare responses. We heard from some of the participants that any amendments or changes to the SSA need to help Māori become self-resilient to avoid dependency on a paternalistic welfare system that does not serve Māori. We heard from participants that whānau are competent and capable of determining their own futures. Participants commented that a commitment to te Tiriti needs to be centred on tino rangatiratanga leading to independence and resilience for Māori where whānau can flourish on their terms.

> *"we know that we can serve our Māori whānau, and we do it well, but we've been entrenched within a system that is historical that made that level of dependency."* [29]

Working towards achieving equitable outcomes for Māori requires cross-government collaboration

162. Participants told us that in order to commit to te Tiriti and achieve equitable outcomes for Māori, government agencies must stop working in silos. This was considered to negatively impact on the capacity for the government to deliver solutions for Māori.

> *"intersectional nature of the underlying issues of our people don't get delivered by MSD entirely."* [30]

163. The WEAG, many Tiriti partners, service providers and some advocacy groups were among those who pushed for a cross-agency approach to addressing inequity for Māori. The key message was that MSD alone cannot achieve equitable outcomes for Māori.

Concerns were raised about how a Tiriti clause in the Social Security Act would be implemented and changes were suggested to support better implementation

164. Participants told us that it would be better to have the proposed amendments in the SSA than not have any reference to te Tiriti. Participants also told us that having a Tiriti clause in the SSA offers huge potential for change and strengthening the legislation to this effect is a good first step.

165. Participants acknowledged that the proposed amendments are just a smaller piece of a larger challenge for the Crown in its commitment to te Tiriti through genuine partnership and addressing inequitable outcomes for Māori.

166. However, many participants also raised concerns about the impact these amendments would have in practice. Participants commented that it is in the operationalisation of these clauses that meaningful change is possible. We heard from the participants that the intent behind making these changes must reach the frontline and be lived in practice. We heard very strongly from the participants that any Tiriti-related proposal for the SSA needs to be supported by practical and meaningful changes throughout MSD.

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[27] Iwi provider
[28] Iwi
[29] Iwi
[30] Iwi

Improving interactions between MSD staff and Māori clients

167. Participants reported that the cultural capability and competency of frontline staff needed to improve through training that included a focus on te ao Māori concepts, te reo and te Tiriti. Most of the MSD staff members we heard from said that they were yet to see te ao Māori embedded into MSD in practice or process.

168. Participants reported that MSD staff needed to treat clients in a culturally sensitive, respectful manner. We heard from many participants that clients leave MSD feeling judged and traumatised. Participants expressed that this sort of experience within MSD fails to honour te Tiriti and reinforces inequitable outcomes for Māori. What we heard from the participants is that the trauma and judgement experienced at the frontline is not conducive to supporting equity for Māori.

169. Improving the power balance (in terms of decision making) at the frontline between MSD and the client was a step towards better honouring our obligations under te Tiriti. One suggestion was that this could be achieved by hiring more Māori at the frontline. We heard from participants that the power imbalance fails to commit to honouring our obligations under te Tiriti.

Have Māori in leadership roles

170. We heard from the participants about the need to have Māori in leadership roles and the idea that change to leadership and governance structures would be key to committing to te Tiriti. The establishment of the Māori Health Authority, as part of the Health reform, was mentioned several times as a potential pathway to consider for the welfare system.

171. We also heard from the participants that we need to have someone who speaks te reo represent MSD and sit within iwi to report to iwi as partners.

Better aligning policy to tikanga Māori and whakaaro Māori

172. MSD staff raised that MSD currently has policies that are antithetical to tikanga Māori and whakaaro Māori. One example given was that when whānau apply for hardship assistance to go to a tangihanga, there are rigid criteria about the familial relationship that the person must have with the deceased to qualify. This is not culturally appropriate for the practice of tangi or the relationships within whānau and more broadly, hapū.

173. Another example provided was that while the 0800 number might be efficient, it is not effective for some whānau because it removes the relational connection that face-to-face contact provides. Participants suggested that to ensure MSD is meeting its obligations under te Tiriti, closer scrutiny and reform of existing policies and practices must be part of the proposal. We heard from the participants that MSD needs to recognise where it fails Māori and the role it plays in generating inequities.

174. There were many questions from the participants on how success in this space will be measured. A prevalent theme that came up in our discussions was that KPIs constrain MSD staff behaviour in ways that are not always consistent with equity or te Tiriti. We heard from the participants that although some MSD staff are engaging in promising practices, and others want to, they are limited by what they can do. MSD staff and Tiriti partners raised the idea that in order to see change aligned with the proposed amendment a new set of KPIs need to be developed, or KPIs should be removed entirely.

In considering the Tiriti-related accountability objectives, we were challenged to consider more ambitious approaches

Participants suggested actions to consider in order to improve partnership working with Māori

MSD needs to rebalance the relationship and work in true partnership with Māori

175. Participants told us about the need to rebalance the relationship and work in partnership with Māori. We heard from the participants that the role of Māori should be a true partner from the beginning.

> *"We can't retrofit the Māori worldview, it has to be part of the framing upfront."* [31]

176. There was a strong call from some of the participants for the need for tino rangatiratanga rather than Crown-led solutions and that a commitment to te Tiriti means supporting tino rangatiratanga. We also heard from the participants that Māori must lead the development of any Tiriti-related clauses for the SSA and be a partner in decision making.

> *"Our intrinsic desire as Māori is to be the authors and designers of our own destiny."* [32]

177. We heard a strong desire from some of the participants for Māori self-determination. Although not always phrased in the same way, there was a general concern about the lack of partnership in the objectives, manifesting in a paternalistic approach to welfare. Participants called for structural support to enable Māori to lead decision making.

178. We heard from participants that the proposed CE accountability objectives do not reflect the partnership relationship that exists between Māori and the Crown. We heard from some of the participants that the power for Māori is in te Tiriti and that power needs to be reflected in the objectives.

> *"MSD does not provide the opportunity to co design, it is te Tiriti o Waitangi that does; 'enable', MSD does not enable, te Tiriti enables. Still saying that the power is with MSD, the power for Māori is in te Tiriti o Waitangi and that power needs to be reflected in the objectives."* [33]

Genuine partnership means reciprocity from both parties

179. Participants raised the need for genuine partnership as part of the development of objectives for the CE accountability clause. Participants wanted to know how MSD is defining partnership and what this means within the welfare system. There was a concern from some of the participants that 'allowing Māori to participate' is not the same as co-design or co-determination.

180. We heard from some of the participants that it is not sufficient to consult with Māori at various points that are convenient for MSD. Rather, service providers and Tiriti partners said it is necessary to have Māori involvement throughout design and implementation stages. Participants raised concerns about the historical trend to engage with Māori and then not listen or action anything further.

181. Participants told us that the relationship should be based on the foundation of reciprocity, and the view from stakeholders was that this understanding has not been transposed into the CE accountability objectives.

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[31] Iwi
[32] Iwi
[33] Iwi provider

> *"now that you are looking at a refresh of the act, there is an opportunity to look at policy and see ways, and partnership comes in, to reshape the approach of social welfare in this country and to empower our people to be the people that they want to be."* [34]

182. Some service providers, Tiriti partners and reference groups raised the point that we need to understand what partnership means in a te ao Māori sense, and furthermore let Māori define and take the lead on this definition. Including Māori at the start, at the top, and at the forefront was a consistent message from the participants.

183. While there was widespread support to introduce CE accountability objectives for MSD, the objectives need to be developed in partnership with Māori if they are to be meaningful. Participants felt that having CE objectives visible in the SSA would support change throughout MSD and demonstrate a strong commitment to improving outcomes for Māori.

Reconsidering accountability mechanisms to reflect te Tiriti

Te Tiriti needs to be better reflected in the CE accountability objectives

184. Concerns were raised, predominantly from service providers and Tiriti partners, that te Tiriti was not reflected sufficiently in the CE accountability objectives. Te Tiriti needs to be reflected and honoured in the objectives in a stronger way than it currently is, because te Tiriti is the foundation of the Crown's commitment and accountability to Māori. That foundation has long been established and should be recognised.

> *"if we don't have te Tiriti as a benchmark to guide through the process then we can't address inequalities for Māori."* [35]

> *"te Tiriti should frame everything, so that the te ao Māori worldview is at the top, with a unique place from a rights and needs perspective. If you get this right, then the rest will follow."* [36]

185. It is worth noting that we heard from Tūhoe that the CE accountability objectives may not make sense to Tūhoe who are not signatories of te Tiriti.

Accountability mechanisms for MSD staff needs to be built through the system at all levels

186. Accountability was seen as key to supporting the delivery of change, and necessary to honour te Tiriti. Participants commented that without clear accountability provisions, any Tiriti-related proposal would be viewed as tokenistic. Ensuring clear accountability mechanisms are built into the system was suggested by many groups that we heard from as a way to implement genuine change.

187. Participants acknowledged that the CE accountability clause was a good step in the right direction to support a focus on Māori wellbeing. Some of the participants suggested that we should formalise the CE accountability requirements in KPIs that are tied to formal salary reviews. They also suggested an accountability mechanism to how we support other population groups. Participants also pointed out the need for accountability to not only tangata whenua, but also other marginalised groups such as Pacific people, disabled people, young people, and older people.

188. Several Tiriti partner groups suggested that accountability should be placed on all staff throughout MSD. Some of the participants specifically mentioned that although the support of the MSD senior leadership team is essential, it is the

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[34] Iwi
[35] Iwi provider
[36] Iwi

lower tiers of management that can help to implement change. Participants felt that consideration must also be given to how the CE accountability objectives would be measured and reported, what form of monitoring would be taken, and what the consequences of failure to meet the objectives would be.

189. We heard from MSD staff, service providers, and Tiriti partners that a Māori Board could provide the necessary oversight and governance of the objectives. Participants commented that a Māori Board would not only provide a critical structure to hear the Māori voice but would also provide an independent monitoring entity.

190. Some of the participants suggested we examine section 7AA of the Oranga Tamariki Act for reference to a CE accountability clause. However, many of those who mentioned this were pointing out that it has made very little change and no improvement in outcomes.

Services and decision making should be devolved, where appropriate, to communities

191. Participants wanted to see CE accountability objectives that enable iwi, hapū and Māori organisations, to design and deliver welfare services for their communities. There was a push from some of the participants to recognise the power of iwi to help and provide services to people in their local area. We heard from some of the participants that government structures and systems impede efficient and effective delivery of the support Māori need. Participants, particularly iwi organisations, used the Covid-19 response as an example to show how effective communities are at delivering for their people. Some of the participants also expressed strong desire to resource communities who have the capability and experience to do the work on the ground.

192. A key message that came out of these discussions was that national approaches to addressing some of the inequities that people face through the welfare system did not work. Participants considered localised approaches necessary in order to respect regional diversity, and beyond that, the diversity of different iwi. Participants told us that the current proposal did not reflect te ao Māori in a way that would guarantee positive outcomes for whānau. Participants suggested that the approach needs to reflect the whānau and work towards positive outcomes for whānau.

193. Participants commented that this would help address the regional disparities. What we heard from the participants is that each region, and each different community, has different needs, which a devolved approach would be better suited to meeting. Participants commented that the CE accountability objectives need to empower regional delivery, and that while each region and iwi deliver services and support differently, it is at the local level that people can be reached.

We were advised that localised 'by Māori, for Māori' approaches would support whānau who are determining their own futures

194. Participants called for MSD to support 'by Māori, for Māori' approaches and self-determination. We heard from iwi representatives that they have been delivering solutions for decades and have been trusted to deliver in ways that the Crown has not been trusted. We heard that iwi and hapū will continue to deliver these solutions regardless of what changes we make in the SSA.

195. We heard consistently from the participants that the Crown should give resources and power to the people that serve and are part of the community they serve. In their view, resourcing whānau, hapū, and iwi to do what they already do best demonstrated commitment to te Tiriti.

196. There was a widespread emphasis from a range of stakeholders that there is not a one size fits all approach to working with Māori. A streamlined approach to te

ao Māori would not recognise the differences within Māoridom, or the diversity of the people that require welfare. Participants commented that we need a nuanced approach that enables flexibility for iwi, hapū, and regions to address diverse needs from diverse perspectives. Participants suggested the whānau-centred approach to be a more localised model that could be emulated in the welfare system and lead to more equitable outcomes for Māori.

197. Tiriti partners also wanted this model to be taken further, advocating for *"Whānau Ora on steroids".*[37] Some of the participants raised the highly devolved arrangements in the Alaskan model as an example of a devolved model of welfare. In this model, welfare funding had been devolved to Alaskan Tribes to deliver 'by their people for their people'. Some of the participants suggested that this sort of commitment would help to address inequitable outcomes for Māori. That is, the devolution of resourcing is considered to be of utmost importance to many Tiriti partners and some stakeholder groups.

We were advised to consider the use of kaupapa Māori values to inform the system

198. Tiriti partners, MSD staff, advocacy groups, clients, and reference groups all called for kaupapa Māori values to underpin the SSA as recommended in the WEAG's 2019 advice to the Government.[38] These participants considered that having kaupapa Māori values underpinning the SSA would transform the lives of people who engage with the system, particularly Māori. Participants felt that such a change would lead to better outcomes not only for Māori, but for all New Zealanders.

> *"When Māori are doing well, the nation is doing well… heal our Māori nation and you heal our nation."* [39]

199. We heard from some of the participants that underpinning the SSA with kaupapa Māori values is essential to achieving better outcomes for Māori and committing to te Tiriti. Some of the participants argued that the values should be positioned as central to the entirety of the SSA to guide service delivery and embed change.

200. Participants felt that kaupapa Māori values should be woven throughout the SSA, but also be lived in practice and action throughout the agency. We heard that the values that historically and currently inform the welfare system are not consistent with Māori communities and that this needs to be addressed if we are seeking to eliminate inequitable outcomes for Māori.

This feedback will inform the future work programme

201. Many of the points raised in this report and across the four questions we asked went beyond the scope of the foundational settings workstream and the proposals in the *Foundation for change* document. Much of this feedback was similar to that captured by the WEAG in 2019. However, we have attempted to reflect these broader themes throughout this report and this feedback will be used to inform the wider welfare overhaul work programme. We would like to acknowledge and thank those who participated. We also acknowledge the limitations of our targeted engagement approach and that not all groups who may have had an interest in amending the SSA will have had the opportunity to contribute to this piece of work.

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[37] Iwi

[38] *Whakamana Tāngata – Restoring Dignity to Social Security in New Zealand*, The Welfare Expert Advisory Group Report, page 70, Recommendation 1.

[39] Iwi