



**MINISTRY OF SOCIAL
DEVELOPMENT**

TE MANATŪ WHAKAHIATO ORA

- 3 MAY 2016

Dear

On 21 March 2016 you emailed the Ministry requesting, under the Official Information Act 1982, information regarding clients who had been granted a Special Needs Grant for long-acting reversible contraception and beneficiaries who had a sanction applied to their benefit. I will answer your questions in turn.

- *How many clients have applied for, and received, a special needs grant under the Long Acting Reversible Contraception plan per year since its inception?*

- *What was the total of this grant per year since its inception?*

On 15 October 2012, hardship assistance for the Long Acting Reversible Contraception (LARC) was introduced to assist with the cost of obtaining or removing LARC to eligible beneficiaries for themselves, and/or their dependent female children aged 16 years or over. The provision of contraception for beneficiaries is to help women with the additional costs of accessing LARC so they can plan when they have children.

LARC payments can be made where a person requires assistance to discuss options or pay for the additional costs of obtaining or removing specific types of long-acting reversible contraception.

Work and Income, a service arm of the Ministry of Social Development, provides the assistance for LARC for beneficiaries through the Special Needs Grant programme. Special Needs Grants are available to people who need one-off assistance to meet essential and immediate needs which they are unable to meet themselves such as food, health and medical costs.

Further information regarding hardship assistance for LARC is available on the Work and Income website: www.workandincome.govt.nz/map/income-support/extra-help/special-needs-grant/long-acting-reversible-contraception-01.html

The table below shows the number of grants approved and dollar amount of Special Needs Grants for LARC:

Long Acting Reversible Contraception (LARC) applications processed from October 2012 to December 2015

Calendar Year	Grants	Granted Amount	Declines
2012	35	\$7,368	S
2013	215	\$ 40,559	12
2014	239	\$36,450	10
2015	177	\$34,950	12
Total	666	\$119,328	S

Note:

S represents a cell that has been suppressed for privacy reasons.

- *How many clients per year with drug and alcohol problems have had their benefits suspended/ended for refusing to attend treatment and counselling services over the last five years?*

The Ministry does not suspend or cancel a client's benefit for refusing to attend a treatment or counselling service. As such this part of your request is refused under section 18(e) of the Official Information Act as this information does not exist.

The client's practitioner may suggest interventions to the client's case manager that could improve the client's ability to work. It is also important to note that clients who have been diagnosed with substance dependence will not be referred to drug tested jobs by the Ministry as the job will not be considered suitable.

- *How many beneficiaries who did not meet work test, drug and alcohol and other requirements, have had their payments cut for two weeks by 25 per cent for the first breach? Please break this down on a year-by-year basis since the policy's inception.*
- *How many beneficiaries who did not meet work test, drug and alcohol and other requirements, have had their payments cut by 50 per cent for the second breach? Please break this down on a year-by-year basis since the policy's inception.*
- *How many beneficiaries who did not meet work test, drug and alcohol and other requirements, have had their payments cut completely for the third breach? Please break this down on a year-by-year basis since the policy's inception.*
- *How many beneficiaries who did not meet work test, drug and alcohol and other requirements, have had a 13-week stand-down for a fourth time failure? Please break this down on a year-by-year basis since the policy's inception.*

The Welfare Reform programme came into effect on 15 July 2013. It takes a long-term investment approach to moving people off a benefit and into work. The

changes aim to reduce benefit dependency, encourage work and self-reliance and provide a safety net for those who need it.

A number of significant changes were introduced as a part of this programme. Multiple benefit types were replaced with three new benefit categories, and new obligations were introduced, such as pre-employment drug testing for some jobs, new requirements for parents with children, and the stopping of benefit payments to people with an outstanding warrant to arrest.

The work-focused nature of the Welfare Reform changes means that there are more obligations on a greater number of people receiving a benefit. People who fail to meet their obligations may have a sanction imposed. However, Work and Income works closely with beneficiaries and many obligation failures are subsequently overturned in favour of the person if they have a good and sufficient reason for not meeting their obligations.

Further information about the obligations beneficiaries are required to meet is available on Work and Income's website: <http://www.workandincome.govt.nz/on-a-benefit/work-obligations/>

The graduated sanctions regime imposes differing levels of financial sanction; depending on how many times a client has failed to meet their obligations in a 12 month period. The number of sanctions in force at any given time is small compared to the total number of beneficiaries.

I have enclosed a table that explains the graduated sanction process for your reference. Although the July 2013 welfare reform changes introduced new obligations, the graduated sanctions regime for people who fail to meet obligations was introduced as part of the Future Focus changes in 2010 and has remained unchanged.

The enclosed table shows how sanctions are applied to a client's main benefit and supplementary assistance. You will note that beneficiaries do not have their payments reduced by 25 per cent as a result of a sanction. Perhaps it would be helpful if I were to give you an example of how sanctions work in regard to a couple with no dependent children. Please note that the maximum sanction that can be applied to people with dependent children is a 50 per cent reduction in benefit.

If client A fails an obligation for the first time in 12 months and does not re-comply within five working days of the failure, Grade 1 sanction applies. As a result, client A has a 50 per cent reduction in their main benefit but their partner, client B, still receives all of their main benefit (equating to a 75 per cent entitlement overall as a couple). Both clients continue to receive their full supplementary assistance.

If client A has a second obligation failure in the same 12 months and does not re-comply within five working days of the failure, Grade 2 sanction applies. As a result client A's main benefit is suspended, however client B still receives their full main benefit (equating to a 50 per cent entitlement overall as a couple). In this instance, client A's portion of supplementary assistance is also suspended.

If client A has a third obligation failure in the same 12 months and does not re-comply within five working days of the failure, Grade 3 sanction applies. This results in client A's benefit being cancelled, however client B still receives their full main benefit (equating to a 50 per cent entitlement overall as a couple). In this instance, client A's portion of supplementary assistance is also cancelled.

The table below shows the sanctions applied to clients from 15 July 2013 to 31 December 2015 by calendar year broken down by sanction grade. Please note that this is a count of sanctions, not clients. One client may have more than one sanction over the year and can be sanctioned for multiple reasons. A grade four sanction is applied when people refuse a suitable offer of employment which means they are not entitled to receive a benefit for 13 weeks.

Sanctions applied to clients from 15 July 2013 to 31 December 2015 by calendar year and sanction grade:

Calendar Year	Sanction Grade				Total
	1	2	3	4	
2013	15,578	7,307	3,015	49	25,949
2014	44,604	17,817	7,576	93	70,090
2015	46,237	16,372	6,442	87	69,138
Total	106,419	41,496	17,033	229	165,177

The principles and purposes of the Official Information Act 1982 under which you made your request are:

- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intend to make the information contained in this letter and the attached documents available to the wider public. The Ministry will do this by publishing this letter and attachments on the Ministry of Social Development website. All of your personal details will be deleted and the Ministry will not publish any information that would identify you as the person who requested the information.

I hope you find this information regarding LARC and benefit sanctions helpful. You have the right to seek an investigation and review of my response by the Ombudsman, whose address for contact purposes is:

The Ombudsman
Office of the Ombudsman
PO Box 10-152
WELLINGTON 6143

Yours sincerely



Ruth Bound
Deputy Chief Executive, Service Delivery

FUTURE FOCUS – GRADUATED WORK TEST SANCTIONS TABLE

Text in italics denotes that the sanction imposed is limited by the 50% protection rule for clients with dependent children

	Single, no dependent children		Single, dependent children		Couple, no dependent children, one person fails work test		Couple, no dependent children, both people fail work test		Couple, dependent children, one person fails work test		Couple, dependent children, both people fail work test		
	Main bit	Supp bit	Main bit	Supp bit	Person 1 Main bit	Person 2 Main bit	Person 1 Main bit	Person 2 Main bit	Person 1 Main bit	Person 2 Main bit	Person 1 Main bit	Person 2 Main bit	Supp bit
Grade 1 sanction Client has failed a work test for the first time in the last 12 months and has not recompiled within five working days of the work test failure	50% reduction	Not affected	50% reduction	Not affected	50% reduction of person 1's portion of benefit = reduced from 50% to 25%	50% reduction of person 2's portion of benefit = reduced from 50% to 25%	50% reduction of person 1's portion of benefit = reduced from 50% to 25%	50% reduction of person 2's portion of benefit = reduced from 50% to 25%	50% reduction of person 1's portion of benefit = reduced from 50% to 25%	50% reduction of person 2's portion of benefit = reduced from 50% to 25%	50% reduction of person 1's portion of benefit = reduced from 50% to 25%	50% reduction of person 2's portion of benefit = reduced from 50% to 25%	Not affected
Grade 2 sanction Client has failed a work test for the second time in the last 12 months and has not recompiled within five working days of this work test failure	100% suspension	100% suspension	50% reduction	Not affected	Person 1's portion of benefit suspended Couple receive 50% (25% + 25%) of main benefit overall	Person 2's portion of benefit suspended Couple receive 50% (25% + 25%) of main benefit overall	Person 1's portion of benefit suspended Couple receive 50% (25% + 25%) of main benefit overall	Person 2's portion of benefit suspended Couple receive 50% (25% + 25%) of main benefit overall	Person 1's portion of benefit suspended Couple receive 50% (25% + 25%) of main benefit overall	Person 2's portion of benefit suspended Couple receive 50% (25% + 25%) of main benefit overall	Person 1's portion of benefit suspended Couple receive 50% (25% + 25%) of main benefit overall	Person 2's portion of benefit suspended Couple receive 50% (25% + 25%) of main benefit overall	100% suspension
Grade 3 sanction Client has failed a work test for the third time in the last 12 months and has not recompiled within five working days of this work test failure	100% cancellation	100% cancellation	50% cancellation	Not affected	Person 1's portion of benefit cancelled Couple receive 50% (0% + 50%) of main benefit overall	Person 2's portion of benefit cancelled Couple receive 50% (0% + 50%) of main benefit overall	Person 1's portion of benefit cancelled Couple receive 50% (0% + 50%) of main benefit overall	Person 2's portion of benefit cancelled Couple receive 50% (0% + 50%) of main benefit overall	Person 1's portion of benefit cancelled Couple receive 50% (0% + 50%) of main benefit overall	Person 2's portion of benefit cancelled Couple receive 50% (0% + 50%) of main benefit overall	Person 1's portion of benefit cancelled Couple receive 50% (0% + 50%) of main benefit overall	Person 2's portion of benefit cancelled Couple receive 50% (0% + 50%) of main benefit overall	100% cancellation