



16 MAR 2021

On 17 February 2021, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982, the following information:

- *At a Parliamentary Select Committee (the Social Services and Community Committee) on 16 February 2021 the Ministry of Social Development were asked about progress on implementing the recommendations of the Welfare Expert Advisory Group (report released May 2019). A Ministry of Social Development representative began providing a number of updates.*

I request the document, or the speaking notes, which contain the progress and updates regarding the Welfare Expert Advisory Group recommendations the Ministry of Social Development used to answer the question at the Social Services and Community Select Committee on 16 February 2021.

Please find enclosed and released in full, the requested document, which contains the progress and updates regarding the Welfare Expert Advisory Group recommendations.

Please note, the document contains talking points which were intended to be examples of progress; it is not an exhaustive list. These talking points were prepared as prompts to be spoken to at the Social Services and Community Select Committee hearing and are therefore not as clearly worded as a formal written update. Please note further, that the COVID-19 section of the document also contains welfare overhaul progress.

For more information regarding the Welfare Expert Advisory Group report, please see the following link:

- www.weag.govt.nz/assets/documents/WEAG-report/aed960c3ce/WEAG-Report.pdf.

A copy of the Minister for Social Development and Employment's report-back to Cabinet, following the release of the Welfare Expert Advisory Group report, can be found at the following link:

- www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/information-releases/weag-report-release/cabinet-paper-welfare-overhaul-advice-from-the-welfare-expert-advisor....pdf.

A copy of the Cabinet-endorsed long-term welfare overhaul work programme can be found at the following link:

- 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.

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 intends to make the information contained in this letter and any attached documents available to the wider public. The Ministry will do this by publishing this letter and attachments on the Ministry of Social Development's website. 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.

If you wish to discuss this response with us, please feel free to contact OIA_Requests@msd.govt.nz.

If you are not satisfied with this response, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Ngā mihi nui



Simon MacPherson
**Deputy Chief Executive
Policy**

The Minister of Social Development has always been clear that welfare reform would be a multi-year and multi-budget reflecting the size and complexity of the task, its significant interdependencies and very high cost. WEAG itself costed the core income support proposals at well over \$5b a year and this did not include 1) all of the income support proposals or the 2) very significant expenditure that would be required in areas such as housing, employment and health.

The Minister has also always been clear that the WEAG report was an input into the Government's welfare reform agenda rather than the whole agenda, and that this began at the start of her first term as Minister with the Families Package and the emphasis on MSD's culture. The Families Package cost over \$5b over 4 years and included among other things significant increases to the accommodation supplement and family tax credit, paid parental leave and the introduction of the best start payment and winter energy payment.

Significant progress has been made on many of the recommendations:

- implementation of the Families Package
- MSD developed its Pacific Strategy and Action Plan – Pacific Prosperity 8
- MSD has developed and released its kaupapa Māori strategy – Te Pae Tata 5, 9
- repeal of Section 192 of the Social Security Act 2018, which previously sanctioned sole parent beneficiaries who did not name the other parent of their child (April 2020) 10, 11
- announced removal of the subsequent child policy for November 2021 10, 11
- indexation of main benefits to increases in average wages (April 2020 and February 2021) 20, 21
- Budget 2019 funding for an additional 263 frontline FTEs at MSD over 4 years 35
- Budget 2019 expansions to employment initiatives such as Mana in Mahi and Oranga Mahi (including to support disabled people and people with health conditions into employment) 35, 36, 37
- an increase to abatement thresholds of main benefits (April 2020 and February 2021) 20, 21
- Homelessness strategy released in February 2020 29-34
- A range of housing initiatives implemented, eg 2,178 public housing places delivered in 2018/19 29
- **regulatory changes to residential tenancies (warm dry houses) 32**
- **reporting on a range of data 5**

It is also important to remember that COVID has dominated the last year in terms of MSD's delivery effort and policy work. It has also added to the fiscal challenges that the Government faces. But it has also led to a number of changes, some permanent, and some temporary:

Things we have dealt with as part of the COVID-19 response

- main benefits increased by \$25 per week from 1 April 2020 20
- the In-Work Tax Credit hours test was permanently removed from 1 July 2020 23
- Budget 2020 funding for further frontline staff and employment services to support the increase in demand 12, 35
- temporary income support changes include:
 - Winter Energy Payment was doubled for 2020 20
 - introduction of the temporary Income Relief Payment from 1 March 2020 20, 37
 - Medical certificates and reapplications deferral 40, 10, 11, 12
 - 52-week reapplication process deferral 10, 11, 12
 - increases to food grants—Temporary operational changes were made on 1 April 2020 to Special Needs Food Grants 24
 - initial income stand downs temporarily removed 10, 11, 12, 20, 36
- housing responses include:
 - time-limited funding in 2020/21 to expand the availability of rent arrears support 33
 - Government announced the delivery of 8,000 new public and transitional homes through Budget 2020 29
 - Progressive home ownership scheme launched (\$400 million) 30, 34
- new employment initiatives, such as:
 - Rapid Return to Work service 35, 37, 36
 - Work and Income online recruitment tool launched on 24 April 2020 35, 36

- Flexi-wage expansion 35, 36, 37
- Mana in Mahi expansion from August 2020 35, 36
- Apprenticeship Boost Scheme introduced in August 2020 35, 36
- all-of-government employment, education and training Connected service 35, 36
- redeployment initiatives (eg led by MPI) 37
- funding for the disability sector significantly increased in Budget 2020 (\$833 million over 5 years)
- wage subsidy, short term absence payment, leave support scheme 37

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We have a significant of programme over several years responding to the WEAG recommendations:

- Purpose (1)
- Principles (2)
- Designing a new system (4)
- Information about the outcomes of those in the system (5)
- What the social security act will say about the Treaty of Waitangi and Maori (6) & (8)
- Building cultural competence in relation to Pacific peoples (7)
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Things that are on the work programme

- removal of initial income stand-downs (short-term) 10, 11, 20
- increasing main benefit rates (short and medium-term) 20
- split and shared care (medium-term) 28
- hardship assistance (medium-term) 24
- review of Working for Families (medium-term) 23
- financial support and eligibility for people with health conditions and disability, eg review of Disability Allowance (medium and long-term) 40
- reducing the impact of debt (medium-term) 14-17
- review of the definition of income and period of assessment (medium-term) 20,
- review of the definition of relationship and unit of assessment (medium-term) 28

- review of the purpose and principles of the Social Security Act 2018 (medium-term) 1, 2, 4, 6, 8
- identify a set of kaupapa Māori values to underpin the welfare system (medium-term) 1, 2, 4 6, 8
- review of work obligations and sanctions of the Social Security Act 2018 (medium-term) 10, 11
- fundamental review of housing subsidies (long-term) 33, 34
- fundamental review of Childcare Assistance settings (long-term) 20, 21, 36
- simplifying income support settings (long-term) 20, 21
- reporting a range of data 5
- social insurance 37
- minimum income standard 25

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