



18 July 2023

Tēnā koe

On 20 June 2023, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information:

- *May I please request under the OIA all recent reports and correspondence on benefit sanctions.*

On 21 June 2023, the Ministry emailed you to advise you that your request was broad in scope and would likely be refused. The Ministry invited you to refine your request. Thank you for refining your request on 27 June 2023 to:

- *May I please refine it to reports from 1 January 2020 onwards.*

People who receive payments from us agree to meet a range of obligations, which are made clear to everyone who applies for a benefit. The obligations people need to meet depend on which type of benefit payment they receive.

If a client does not meet these obligations, without a good and sufficient reason, their benefit payments could reduce or stop until they re-comply. Most sanctions are applied because people did not attend pre-arranged appointments. For people with tamariki in their care, any reduction in their benefit is limited to half of their main benefit. They will still receive supplementary payments and family tax credits.

Any decision to reduce or pause benefit payments is never made quickly or taken lightly and everyone is offered numerous opportunities to re-comply before payments are reduced. If a decision is made to reduce benefit payments, the client is contacted and given 5 working days to take steps which will prevent this, such as attending a rescheduled appointment, providing good and sufficient evidence as to why they couldn't do so, or to dispute the decision.

Clients typically take rapid steps to comply with obligations so they can resume receiving full benefit payments. Anecdotally, most sanctions are in place for less than two weeks.

The following reports regarding different benefit sanctions and obligations have been identified in scope of your request. If the report is already publicly available, a link has been provided.

Social Obligations:

- *REP/21/4/350 – Welfare Overhaul: Review of Social Obligations*, dated 30 April 2021
- *REP/21/11/1305 – Welfare Overhaul: [9(2)(f)(iv)] Social Obligations*, dated 16 December 2021

Copies of these two reports are enclosed. You will note some information is withheld under section 9(2)(f)(iv) of the Act to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials. The release of this information is likely to prejudice the ability of government to consider advice and the wider public interest of effective government would not be served.

- *REP/21/7/794 – [s 9(2)(f)(iv)]*, dated 30 July 2021
- *REP/22/2/101 – [s 9(2)(f)(iv)]*, dated 18 February 2022

The titles and copies of these reports are withheld in full under section 9(2)(f)(iv) of the Act to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials. The release of this information is likely to prejudice the ability of government to consider advice and the wider public interest of effective government would not be served.

Work obligations and sanctions:

- *REP/21/3/296 – Welfare Overhaul: Confirming the scope for the review of work obligations and sanctions*, dated 6 May 2021

<https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/official-information-responses/2022/march/29-3-2022-request-for-21-reports-rep-21-3-296-confirming-the-scope-of-the-review-of-work-obligations-and-sanctions-.pdf>

- *REP/22/3/146 – Resetting the foundations of the welfare system: Updated timeframes and scope*, dated 4 March 2022

<https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/information-releases/cabinet-papers/2023/welfare-overhaul-work-programme-update-key-priorities-and-next-steps/rep-22-3-146-resetting-the-foundations-of-the-welfare-system-updated-timeframes-and-scope.pdf>

Warrant to arrest sanction:

- *REP/22/3/146 – Resetting the foundations of the welfare system: Updated timeframes and scope*, dated 4 March 2022

<https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/official-information-responses/2022/march/29-3-2022-request-for-21-reports-rep-21-5-528-warrant-to-arrest-sanction-.pdf>

Pre-employment drug testing:

- *REP/21/6/613 – Welfare Overhaul: Pre-employment drug test obligation and sanctions*, dated 16 June 2021

<https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/official-information-responses/2022/march/29-3-2022-request-for-21-reports-rep-21-6-613-welfare-overhaul-pre-employment-drug-test-obligation-and-sanctions-.pdf>

Other/general sanctions:

- *REP/20/7/804 – Proposed approach for reviewing obligations and sanctions of the Social Security Act 2019 and relevant regulations*, dated 24 July 2020

Please refer to page 28 of the document available at the following link for this report: <https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/official-information-responses/2021/may/20210510-request-all-briefings-to-minister-s-in-regard-to-restrictions-and-limitations-to-the-access-of-assistance-and-support-under-the-social-security-act.pdf>

- *Welfare Overhaul Work Programme update*, dated November 2021

<https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/information-releases/cabinet-papers/2021/welfare-overhaul-work-programme-update/welfare-overhaul-work-programme-update.pdf>

You may find the Written Parliamentary Questions (WPQs) page on the Parliament NZ website helpful as the Minister for Social Development and Employment has responded to a number of WPQs regarding benefit sanctions. WPQs and responses are published regularly. You can search by keyword and Minister: www.parliament.nz/en/pb/order-paper-questions/written-questions/.

The Ministry also regularly publishes data on benefit sanctions which can be found on our website. The most recent data for the July – September 2022 quarter can be found at the following link under Latest Benefit Fact Sheets release, here: www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/benefit/index.html.

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'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



Leah Asmus
Manager
Welfare System and Income Support Policy



Report

Date: 30 April 2021

Security Level: IN CONFIDENCE

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

Welfare Overhaul: Review of Social Obligations

Purpose of the report

- 1 This report is part of phase one of the review of obligations and sanctions in the welfare system. It outlines the results of an initial review of social obligations ^{s9(2)}_{(f)(iv)}

Executive summary

- 2 In November 2019, you signalled your intention to review obligations and sanctions in the welfare system to Cabinet [SWC-19-MIN-0768 refers]. In July 2020, you agreed to a phased approach for this review, with phase one to focus on specific obligations where changes could improve client experience, including social obligations.
- 3 Social obligations are a series of obligations imposed on Ministry of Social Development (MSD) clients who are receiving a main benefit and have a dependent child, with the aim of reinforcing social objectives through the benefit system. They require clients to meet specific health and education outcomes for their child or risk having their benefit sanctioned. These obligations require that clients take all reasonable steps to ensure their dependent children are:
 - 3.1 enrolled with a primary health care provider (eg. a Primary Health Organisation (PHO) or a general practitioner)
 - 3.2 enrolled in and attending a form of early childhood education (ECE) (including via correspondence or home education) for at least 15 hours per week from the age of three until they start school
 - 3.3 up to date with core Well Child/Tamariki Ora checks through their provider (eg. Plunket, a Māori health provider, or a Pacific health provider), if aged under five
 - 3.4 enrolled in and attending school from the age of five or six (depending on when they start school).
- 4 Since their introduction in 2013, there is no indication that social obligations have achieved their stated intent of improving wellbeing outcomes for the most vulnerable, hard-to-reach clients. They have not resulted in obligations failures for clients, and sanctions have never been imposed.
- 5 On balance, we recommend the removal of the social obligations as they currently stand. The policy is not achieving its stated intent and does not appear to be fully implemented – with no international evidence that a full implementation (ie. with sanctions being applied) would be more likely to achieve the intent.
- 6 Despite this, anecdotal evidence through discussions with frontline staff suggests that related operational processes can be useful to support conversations around topics such as school enrolment and child health. Removing social obligations may remove an opportunity for frontline staff to engage with clients on these topics.

- 7 While we recommend that the obligations be removed, it may be preferable for them to be replaced by another mechanism within MSD to facilitate these conversations and allow case managers to support their clients in this area. If this is preferred, further policy work will be required to identify what form this could take.
- 8 We note that removal of social obligations is aligned with this Government’s vision for the welfare system, which envisions a system based on mutual expectations that supports client dignity, and the recommendations of the Welfare Expert Advisory Group (WEAG).

Recommended actions

It is recommended that you:

- 1 **note** that social obligations were included in phase one of the review of obligations and sanctions
 - 2 **note** that the WEAG recommended the removal of social obligations
 - 3 **note** that there is no evidence that social obligations meet their stated intent, and that sanctions have never been applied as a result of a social obligations failure
 - 4 **indicate** whether you are comfortable with the welfare system being used as a lever to achieve social outcomes, such as those currently targeted by social obligations
- | | Yes / No |
|--|-----------------|
| 5 <small>s9(2)(f)(iv)</small> [Redacted] | |
| [Redacted] | |
| [Redacted] | |
| [Redacted] | |
| [Redacted] | |
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| [Redacted] | |
| [Redacted] | |
- 6 **note** that MSD will provide you with further advice on your preferred option later in 2021, including costs, removal time frames and further policy details if required
 - 7 **note** that legislative changes and funding will be required to give effect to any removal or replacement of social obligations.

Leah Asmus
 Policy Manager
 Welfare System policy

Date

Hon Carmel Sepuloni
 Minister for Social Development and Employment

Date

Background

This government has committed to reviewing obligations and sanctions

- 9 As part of their 2019 report *Whakamana Tāngata*, the Welfare Expert Advisory Group (WEAG) recommended the removal of multiple obligations and sanctions currently in the welfare system. In response to this, Cabinet agreed in November 2019 to a review of obligations and sanctions as part of the Welfare Overhaul work programme, with a specific focus on those which impact on children [SWC-19-MIN-0168 refers].
- 10 In July 2020, you agreed for this review to take a phased approach, with an initial focus on the:
 - Comprehensive Work Assessment
 - social obligations
 - drug testing obligation and sanction
 - warrant to arrest obligation and sanction [REP/20/7/804 refers].
- 11 These obligations and sanctions were chosen for phase one as changes to them could improve client experience by simplifying the welfare system. Advice on the other obligations and sanctions included in phase one will be provided in due course.

Social obligations were introduced to improve outcomes in Key Result Areas

- 12 In 2013, Cabinet agreed to the introduction of a series of social obligations for beneficiaries into Social Security legislation, in an attempt to use the benefit system to improve social outcomes in specific areas [CAB Min (12) 26/11.5 refers]. They require that clients on a main benefit take all reasonable steps to ensure their dependent children are:
 - 12.1 enrolled with a primary health care provider, such as a Primary Health Organisation (PHO) or General Practitioner (GP)
 - 12.2 enrolled in and attending one of the following approved early childhood education (ECE) programmes for at least 15 hours per week from the age of three until they start school:
 - a licenced ECE service, such as –
 - Kōhanga Reo, Punanga Reo, Aoga and other programmes with a language and culture focus
 - kindergartens
 - preschools
 - childcare centres
 - play centres
 - home-based education and care services
 - hospital-based education and care services
 - a playgroup that has been certified by the Ministry of Education (MoE); or
 - a correspondence based ECE programme approved by MoE; or
 - another approved ECE programme, which meets criteria set out by the Ministerial direction and is approved by the Chief Executive of the Ministry of Social Development (MSD) [CAB Min (13) 1/11 refers]
 - 12.3 if aged under five, up to date with core Well Child/Tamariki Ora checks through their provider (eg. Plunket, a Māori health provider, or a Pacific health provider)
 - 12.4 enrolled in and attending school from the age of five or six (depending on when they start school).
- 13 Clients receiving the Young Parent Payment have an additional obligation to, where required by MSD, participate in an approved parenting education programme. You will

receive further advice on this specific obligation later in 2021, as part of the wider review of work obligations and sanctions.

- 14 These obligations were introduced within the context of the Better Public Services (BPS) targets, which were launched in 2012 and sought specific improvements across ten areas (such as vaccination rates, ECE participation and numbers on benefits). The BPS targets were discontinued in 2018, but initiatives designed to support them – such as social obligations – remain.
- 15 Beneficiaries are currently required to take all reasonable steps to meet their obligations, and are required to have a good and sufficient reason if they are not met. If there is not a good and sufficient reason, then this can trigger an obligations failure and sanctions can be applied to the beneficiary.

To date, no sanctions have been applied for a failure to meet social obligations

- 16 Although there are multiple instances identified where clients have not been meeting their obligations (a snapshot taken on 4 December 2020 identified 870 clients as not meeting their social obligations), this has never resulted in a formal obligations failure or sanctions being imposed on a client.
- 17 Discussions with front line staff suggest the lack of sanctions may be at least partially due to the current operational process (outlined in **Appendix 1**), which is intended to support clients towards meeting their obligations more than penalise them for not doing so. The process contains multiple engagement steps where MSD staff seek to identify and resolve issues which clients face in meeting their obligations. As such, a client may be identified initially as not meeting their obligations, but this may be resolved before they reach the stage where sanctions would be imposed.

There is little evidence on whether obligations and sanctions can achieve social outcomes...

- 18 Available data on outcome areas subject to social obligations is not able to determine whether social obligations have resulted in positive change (eg. in higher levels of ECE enrolment). Engagement with the Ministry of Health (MoH) and the Ministry of Education (MoE) has also indicated that their data is not able to distinguish population groups who would be subject to social obligations from the wider population. Data sources which are closest to this (eg. decile-based data for the education system) are also unable to distinguish the impact of social obligations from other initiatives intended to support low-income families in these areas, making it unable to determine the specific impact of social obligations or the threat of sanctions.
- 19 Internationally, there is also little evidence to suggest that obligations can impact on non-work-related outcomes. Evidence on equivalent programmes in the United States and Australia have given little indication that they have any impact on their intended outcomes. While immunisation rates in Australia appear to have improved somewhat after the introduction of a social obligation-type programme, other changes to Australia's vaccination programme were made at the same time, and similar obligation-based programmes for school enrolments have not resulted in similar increases in enrolments. A review of social obligations in the United States showed no evidence of an impact, while a social obligations programme in France was stopped three years after implementation when it was found to violate Europe-wide rights agreements.¹

¹ Obligations and Sanctions Rapid Evidence Review Paper 7: Social Obligations, November 2018

<https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/information-releases/weag-report-release/obligations-and-sanctions-rapid-evidence-review-paper-7-social-obligations.pdf>

...but anecdotal evidence suggests supporting processes can be part of a helpful service...

- 20 Discussions with front line MSD staff have suggested that, despite sanctions not having been imposed due to a failure to meet social obligations, the process of contact with clients around the obligations can be useful in helping them to achieve outcomes in this space. They allow case managers to support clients in achieving outcomes for their children, including through referrals to other agencies or NGOs as required.
- 21 Such conversations can help to establish a relationship between the client and MSD, allowing an opportunity for whakawhanaungatanga and to identify and address other barriers which the client may face in meeting these outcomes. For instance, a client might face difficulty in finding a local ECE provider which meets their needs, or they may not be aware that visits to GPs are free for under-14s.
- 22 Social obligations have also helped front-line conversations to be more child-centric, with frontline staff indicating that they believe social obligations have contributed to conversations being more focused on the needs of children and their whānau in a broad sense, even if the discussions are not centred on the obligations themselves. Some front-line staff have expressed concern that a full removal could potentially risk this focus being diminished.
- 23 As such, there could be merit in using levers within the welfare system to help support the same outcomes as social obligations are intended to support, regardless of whether social obligations are removed. The welfare system provides a unique point of contact with some of New Zealand's most vulnerable populations, giving us an opportunity to identify and resolve barriers which they face in these areas. We seek your steer on whether you would be comfortable exploring alternatives ways that the welfare system could be used to support wider social outcomes.

s9(2)(f)(iv)

- 24 With other aspects of the welfare overhaul, such as the foundations work on reviewing the purpose and principles of the Social Security Act, mutual expectations, and kaupapa Māori values, there is scope to consider opportunities for the welfare system and MSD to maintain a more holistic focus on client wellbeing. This would better align both with MSD's obligations under te Tiriti o Waitangi and the Government's vision for the welfare system.

25 s9(2)(f)(iv)

26 s9(2)(f)(iv)

² The interim kaupapa Māori values consist of manaakitanga, whanaungatanga, kotahitanga and takatūtanga.

We have considered a variety of approaches to social obligations

- 27 Policy work to date has considered a variety of potential alternatives to social obligations. These have been assessed against a variety of criteria, specifically whether the option:
- achieves the policy intent of supporting positive outcomes for clients and their children
 - aligns with the Government’s vision for the welfare system
 - aligns with the interim purposes of MSD’s working policy framework³
 - aligns with the interim kaupapa Māori values in MSD’s working policy framework
 - simplifies welfare system settings for clients
 - reduces unnecessary compliance-based activities for MSD staff and clients
 - is fiscally feasible.

28 Each option was assessed against these criteria and given a value between 1-3 to reflect their performance (1 being the worst, and 3 the best). A table outlining these criteria against all options and the subsequent scores is available in **Appendix 2**.

29 s9(2)(f)(iv) [Redacted]

s9(2)(f)(iv) [Redacted]

s9(2)(f)(iv) [Redacted]

30 s9(2)(f)(iv) [Redacted]

³ The interim purpose of the welfare system is to whakamana tāngata and ensure a dignified life by:

- providing financial and material support including affordable and appropriate housing
- supporting the wellbeing of people receiving financial assistance
- supporting people to find and remain in suitable employment
- partnering with others to support social and economic wellbeing [REP/19/7/628 refers]

s9(2)(f)(iv)

s9(2)(f)(iv)

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s9(2)(f)(iv)

s9(2)(f)(iv)

RELEASED UNDER THE
OFFICIAL INFORMATION ACT

s9(2)(f)(iv) [Redacted]

Multiple steps are required to give effect to any decisions s9(2)(f)(iv) [Redacted]

52 s9(2)(f)(iv) [Redacted]

53 s9(2)(f)(iv) [Redacted]

54 s9(2)(f)(iv) [Redacted]

55 s9(2)(f)(iv) [Redacted]

Next steps

56 If you agree with the preferred option, we will continue work s9(2)(f)(iv) [Redacted] working closely with MoH and MoE to determine the most appropriate approach.

57 We will also ensure that this aligns with the other workstreams of the review of obligations and sanctions.

58 s9(2)(f)(iv) [Redacted]

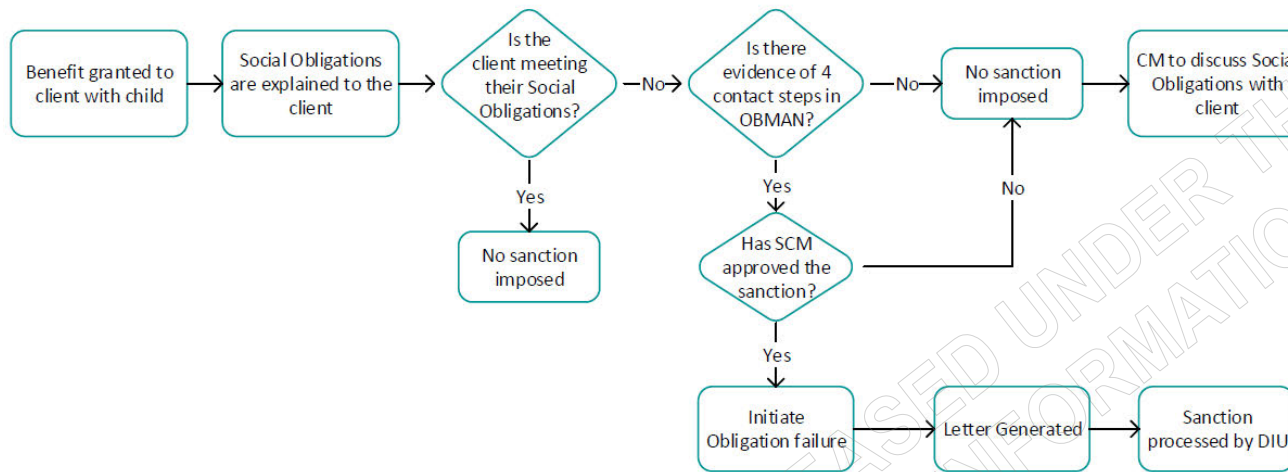
REP/21/4/350

File ref: A13189743

Author: Adam Partridge, Policy Analyst, Welfare System policy

Responsible manager: Leah Asmus, Manager, Welfare System policy

Appendix 1: Current Social Obligations Process



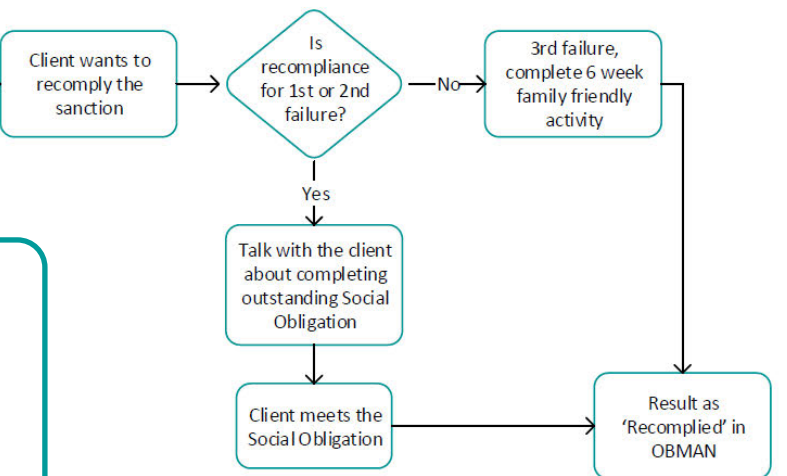
Background

Social obligations were aimed to improve outcomes for children and families by supporting them to access health services and education. Our role is to support parents and caregivers receiving a main benefit to meet their social obligations or to be in a position where they were taking all reasonable steps to meet these.

Social obligations apply to all clients with dependent children who are receiving a main benefit.

For the purposes of obligations, a dependent child includes children for whom Unsupported Child's Benefit (UCB) or Orphan's Benefit (OB) is being paid, if the client is also receiving a main benefit.

Social obligations are applied to both the primary client and their partner if they are aged 19 or older for couples receiving a main benefit.



Contact Steps (at least 2 weeks apart)

Contact step 1: In a face to face appointment, engage with your client about their social obligations. This will help you identify the appropriate level of support you need to provide to help them meet their social obligations.

Contact step 2: Generally a phone call to discuss what social obligations are still to be met. If the client is having trouble meeting the social obligations, it may be appropriate to refer them to community organisations for them to assist them.

Contact step 3: Generally a phone call to discuss what social obligations are still to be met. Advise your client that they are required to attend a final appointment and will need to demonstrate that they are taking all reasonable steps to meet their social obligations or have a good and sufficient reason for why they are not meeting these.

Final appointment contact step 4: If the client is still not meeting their social obligations and doesn't have a good and sufficient reason the case manager must seek service centre manager approval to sanction the client.

Note: Once a case manager is satisfied the client is meeting or taking reasonable steps to meet their social obligations, they are no longer required to actively engage with us on this.

s9(2)(f)(iv)

s9(2)(f)(iv)

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Report

Date: 16 December 2021

Security Level: IN CONFIDENCE

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

Welfare Overhaul: ^{s9(2)(f)(iv)} **Social Obligations**

Purpose of the report

- 1 This report seeks your agreement to final policy options ^{s9(2)(f)(iv)}

Executive summary

- 2 ^{s9(2)(f)(iv)}

- 3 Since the introduction of social obligations in 2012, the Ministry of Social Development (MSD) and other agencies have introduced or expanded a variety of measures aimed at supporting children and their whānau. These supports address a number of barriers which low-income families can face in seeking education or healthcare for their children, including the cost of services and transport to the facilities. These programmes are better suited to addressing the underlying reasons why a child may not receive education or healthcare than legislative obligations, and their introduction means that social obligations are less relevant in achieving their intent of increasing child participation in healthcare and education.

- 4 These supports vary in approach, focus, and delivery means. As such, the extent of support received can differ based on client and staff understanding of the wider supports that clients are entitled to. ^{s9(2)(f)(iv)}

- 5 ^{s9(2)(f)(iv)}

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s9(2)(f)(iv)

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Recommended actions

It is recommended that you:

s9(2)(f)(iv)

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Christian Opetaiia
Manager
Welfare System Policy

Date

Hon Carmel Sepuloni
Minister for Social Development and Employment

Date

Background

s9(2)(f)(iv)

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s9(2)(f)(iv)

10 Your in-principal agreement was subject to MSD doing further work to determine what would be needed to best achieve the policy intent, and whether any further measures were needed, with a report back prior to seeking final decisions from Cabinet.

11 Final decisions were also subject to further decisions on other initiatives within phase one of the review into obligations and sanctions in the Act. This included the pre-employment drug testing obligation and the warrant to arrest sanction, both of which have since been deferred for future consideration as part of the broader review of obligations and sanctions.

s9(2)(f)(iv)

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The s9(2)(f)(iv)

evidence from similar programmes in the United States and Australia gives little indication that such obligations have any impact on their intended outcomes. Similarly, a programme in France where family benefits could be suspended if a child of the family consistently missed school was repealed after it was found to violate agreements on European Committee of Social Rights procedures.¹

13 Local monitoring of child engagement with healthcare and education is unable to be specific enough to indicate whether social obligations have impacted on healthcare and education outcomes, owing to a lack of beneficiary-specific monitoring and the variety of other initiatives focusing on low-income families in this space.

Low-income families face a variety of barriers to healthcare and education...

14 Access to healthcare and education services can often be hindered by a variety of barriers, which range from relatively straightforward issues (such as cost) to more complex examples (such as an availability of suitable services). Barriers that we have identified are:

Barriers to Healthcare	Barriers to Education
Cost of healthcare services	Cost of education services (ECE)
Transport	Transport
Availability of services (eg. practices accepting enrolments, booking slots)	Availability of appropriate services (eg. kōhanga reo)
Requiring healthcare after hours	Difficulty providing school supplies
Lack of time	Illness
Not having childcare	Hunger

¹ Obligations and Sanctions Rapid Evidence Review Paper 7: Social Obligations, November 2018 <https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/information-releases/weag-report-release/obligations-and-sanctions-rapid-evidence-review-paper-7-social-obligations.pdf>

- 15 The severity and impact of these barriers and the extent to which they affect outcomes for low-income families vary, and do not apply evenly. Some families may face multiple barriers, compounding the issues they face and making addressing the underlying issues more difficult.
- 16 Location can also play a role in the prevalence of barriers. For example, some areas will have more availability of kōhanga reo, or a number of healthcare facilities accepting new enrolments, meaning that in those places these are less of a barrier.

...which are addressed by a wide range of services offered by MSD and other agencies

- 17 While some of the barriers, such as the availability of services, fall outside the scope of MSD's services, these are addressed by efforts from the Ministries of Health and Education (MoH and MoE) for their respective areas.
- 18 Other barriers, such as the cost of services or the difficulty of providing supplies, are closer to MSD's existing functions and are able to be addressed by services already offered by MSD. Some of these services address the barriers more directly than others- for example, Childcare Assistance offered by MSD directly makes the cost of education more manageable, while the Winter Energy Payment reduces the risk of illness through making it easier to keep homes at a healthy temperature during winter.
- 19 There are already a wide range of supports for low-income families to get healthcare and education for their children through services offered by MSD, MoH and MoE. A list of services, grouped by the barrier they address, is attached as **Appendix One**.
- 20 Many of these supports have been either introduced or expanded since the introduction of social obligations in 2012. This significantly alters the landscape in which social obligations exist, as it provides more supportive alternatives to achieve the same intended outcome as social obligations.

We do not see a need for further initiatives ^{s9(2)(f)(iv)}

There are enough supports in the system to cover this area...

- 21 The supports for clients that currently exist within the welfare system already have a sufficient coverage of the barriers identified above where MSD can have an impact. There are no clear gaps in the coverage of supports where a new initiative may be suitable to help alleviate barriers for low-income families, meaning that a new initiative would likely overlap with existing efforts.
- 22 We do not currently see a need for any new initiatives to be introduced, as we consider that the potential for overlap with existing services could limit the effectiveness of any new initiative. MSD will continue to provide support as required to improve our current offerings and ensure that our services are sufficiently connected, such as through referring clients if further support is needed.

^{s9(2)(f)(iv)}

- 23 Anecdotal evidence from frontline MSD staff has shown that the conversations that support social obligations can be valuable in identifying and addressing the particular barriers that clients may face. Having supports ^{s9(2)(f)(iv)} makes it possible for the positive aspects of these conversations to be kept as part of our service model, ^{s9(2)(f)(iv)}

24 ^{s9(2)(f)(iv)}

Intended changes to our service model ^{s9(2)(f)(iv)}

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^{s9(2)(f)(iv)}

For example, the Te Pae Tawhiti transformation programme will transform MSD's services, processes, systems, and capabilities to become a more flexible and responsive organisation that can deliver on our strategic direction. The programme will deliver services that are easier, more accessible and integrated across employment, housing, and income support with greater use of partnering. It will also modernise our technology, data, and information to support this business change.

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The design and delivery of a future service model for MSD is a fundamental part of the programme.

^{s9(2)(f)(iv)}

^{s9(2)(f)(iv)}

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^{s9(2)(f)(iv)}

REP/21/11/1305

Author: Adam Partridge, Policy Analyst, Welfare System and Income Support Policy

Responsible manager: Christian Opetaiia, Manager, Welfare System and Income Support Policy

Appendix: Existing initiatives to address barriers

Initiatives to support the costs of health care, education services, and fees

20 Hours Free ECE (MoE)	Children aged 3, 4 and 5 years old can also receive up to twenty free Early Childhood Education (ECE) hours per week through the Ministry of Education.
Childcare Assistance (MSD)	MSD may provide financial assistance for childcare through the Childcare Assistance Programme (CCA) or the Out of School Care and Recreational Subsidy (OSCAR). A client may receive CCA for initially 9 hours a week for children under 5 years old. Up to fifty hours a week is able to be subsidised for a range of reasons including illness or injury.
Community Services Card (CSC) (MOH)	A Community Services Card (CSC) can also reduce medical costs for the card holder and dependent children aged 14-17. Dependent on each District Health Board there are also assistance available for dental costs, home help, travel and accommodation and spectacles for children. The CSC aims to assist low- or middle-income earners and their families. It is available to all who meet the qualifying criteria, including people who are not clients.
Early Learning Payment (MoE)	The Early Learning Payment helps pay the costs of Early Childhood Education for children aged 18 months to 3 years. These children need to be from families enrolled in selected Family Start or Early Start Programmes.
Flexible Childcare Assistance (FCA)	This support is available to sole parents who work during times when childcare programmes are closed, such as weekends or nights. It provides \$50 per week for one child and \$25 per subsequent children to support childcare during this time.
Free GP visits (MOH)	Through the Ministry of Health, most children under 14 who are enrolled with a general practice will not be charged a fee for a standard GP visit. Almost all practices offer the zero fees scheme.
Orphan's Benefit and Unsupported Child Benefit (OB-UCB) (MSD, OT)	Those receiving the Orphans Benefit (OB) or Unsupported Childs Benefit (UCB) may receive the School Year and Start-Up Payment. This payment is a one-off payment that a client may apply for at the beginning of each year and ranges from \$400 to \$550, dependent on the child's age.
Other MSD assistance	MSD may assist in some specific medical related costs through Disability Allowance (DA), while the Child Disability Allowance (CDA) helps clients with children who have disabilities to meet the associated increased costs. Some health and disability costs can also be included into Temporary Additional Support (TAS). This assistance is income and asset tested, except for CDA. For education costs, MSD can assist in payment for school costs such as attendance dues, school camping and trips, computing equipment and other education goods. This payment is made through a recoverable Advance Payment of Benefit.

Initiatives to support transport costs

Childcare assistance and OSCAR (MSD)	Funded childcare through MSD can include the calculated time it takes to travel to and from home/work to the childcare facility.
MSD assistance	MSD may assist those who do not have transport to healthcare through a Special Needs Grant (SNG) or Disability Allowance (DA) for transport costs. A person however cannot receive both. Each assistance is income and asset tested.

	Clients may also receive an Advance Payment of Benefit for car repairs if it is essential to their family's needs, such as if it is the main mode of transport for their family to and from school.
Public transport (MSD)	Students generally receive a discount on public transport, with rates depending on the region.
Total Mobility Scheme (MSD)	Discounts up to 50 percent of the fare of public transport, depending on the region. This service is for disabled people and their families to assist in meeting their daily needs.

Availability of Services

Community connection service (MSD)	The Community Connection Service available to clients ensures people are able to access information and services across multiple government agencies and service providers. There are multiple providers delivering this service across Aotearoa New Zealand.
MOE Assistance	The Ministry of Education has a range of initiatives which support parents to find the right education provider for their children, particularly for Māori and Pacific families and whānau. The Engaging Priority Families (EPF) initiative combines children's participation in ECE with parental engagement with their children's learning, and supports families to choose an early learning service that is right for them, among other supports. Poipoia te Mokopuna is a whānau-focused education programme which also supports Māori whānau with tamariki in ECE, including through finding a suitable provider.

Difficulty providing supplies

Benefit advances (MSD)	MSD can assist in the payment of school stationery and school uniforms through an Advance Payment of Benefit.
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Lack of Childcare

Childcare assistance (MSD)	MSD may provide financial assistance for childcare through the Childcare Assistance Programme (CCA) or the Out of School Care and Recreational Subsidy (OSCAR). A client may receive CCA for initially 9 hours a week for children under 5 years old. Up to fifty hours a week is able to be subsidised for a range of reasons including illness or injury.
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Illness

Winter Energy Payment (MSD)	The Winter Energy Payment helps to support low-income families to meet the basic needs of heating their household during winter. By maintaining the house at a consistent temperature, the risk of illness for children is lowered.
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Hunger

Special Needs Grant (MSD)	MSD can assist through a Special Needs Grant for food. This SNG is if the client or any immediate family member has an immediate need to purchase food.
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Ka Ora, Ka Ako (MoH)	The Ka Ora, Ka Ako healthy school lunches programme aims to provide nutritious lunches to school every day. Since September 2021, over thirty million lunches have been served in over 800 schools.
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Other assistance

SmartStart (MSD, DIA, IRD, MoH)	SmartStart, which launched in 2016, is a programme that aims government services based on key events in people’s lives, rather than how government agencies are set up. It gives people online access to integrated government information and support related to each phase of pregnancy and the first 6 months of early childhood development.
Targeted Funding for Disadvantage (MoE)	Targeted Funding for Disadvantage is for early learning services that have a high proportion of children from disadvantaged backgrounds. The Ministry of Education fund these services to help make early learning affordable and high-quality, and to give the children the opportunity to start school ready to learn. There are eligibility, funding and other requirements.
Engaging Priority Families (MoE)	The Engaging Priority Families (EPF) initiative from the Ministry of Education combines children’s participation in ECE with parental engagement with their children’s learning. EPF is run by community organisations who guide and enable families through ongoing in-home/group sessions to be more involved in their children’s early learning, choose an early learning service that is right for them, and support their children when they transition to school.
Poipoia te Mokopuna (MoE)	<p>Poipoia te Mokopuna is a whānau-focused education programme from the Ministry of Education that aims to nurture tamariki and their learning in the early years. It is underpinned by the principles of Te Whāriki (Early Childhood Curriculum) and Ka Hikitia (the Māori education strategy). It is designed to meet the diverse learning needs of whānau, and is focused on tamariki and mokopuna under three years of age who:</p> <ul style="list-style-type: none"> • are not currently engaged in formal early learning programmes • need guidance and support to provide intentional early learning activities for their children • need support to develop ideas and activities that incorporate reading, talking, and playing in the home and outdoors.
Home Interaction Programme for Parents and Youngsters (HIPPY) (MoE)	HIPPY is a two-year home-based programme that helps parents to get their child ready for school learning, with a focus on pre-literacy and pre-numeracy skills. The core aspect of the HIPPY programme is the parent-child interaction, with parents facilitating their children’s learning using a highly structured workbook. This provides a useful avenue to support families who may not have similar access to ECE providers, such as in rural areas.