



Cabinet Social Wellbeing Committee

Minute of Decision

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Welfare Overhaul Work Programme Update: Key Priorities and Next Steps

Portfolio **Social Development and Employment**

On 7 December 2022, the Cabinet Social Wellbeing Committee (SWC):

- 1 **noted** that the Government remains committed to overhauling the welfare system, with a vision for a welfare system that ensures people in need are able to have an adequate income, are treated with respect and dignity, and are able to participate meaningfully in their communities;
- 2 **noted** that the Government has made significant investment and changes to the welfare system since 2017 as part of the welfare overhaul which are making a material difference in the lives of low income New Zealanders;
- 3 **noted** the following key points in relation to the welfare overhaul work programme:
 - 3.1 the Government has invested approximately \$14.6 billion on initiatives to overhaul the welfare system since 2017;
 - 3.2 compared to 2017, approximately 351,000 individuals, families and whānau will be, on average, \$113 per week better off as a result of our investments;
 - 3.3 there are record numbers of people going into work - in the year ending June 2022, around 113,000 people moved off benefit and into work;
 - 3.4 in real terms, total incomes after housing costs for people supported by main benefits were, on average, 43 percent higher in 2022 than in 2018 as a result of the reforms;
 - 3.5 there were 66,500 fewer children in low-income households on the after-housing-costs child poverty measure;
 - 3.6 92.5 percent of clients surveyed said they were treated with respect when interacting with the Ministry of Social Development (MSD);
 - 3.7 an 87 percent drop in sanctions that impact children since June 2017;
- 4 **noted** that the welfare overhaul work programme is underpinned by recommendations from the Welfare Expert Advisory Group;
- 5 **noted** that progress has been made on the welfare overhaul in a range of areas since the last update in September 2021;

- 6 **noted** that the welfare overhaul will retain a focus on aligning with the following major Government initiatives:
- 6.1 the New Zealand Income Insurance Scheme ^{s 9(2)(f)(iv)} [REDACTED]
 - 6.2 the recent establishment of Whaikaha Ministry of Disabled People, changes to the health system and the interface between the health, disability, and welfare systems which will take time to progress;
 - 6.3 MSD's Te Pae Tawhiti Programme to improve the way MSD delivers services;
- 7 **noted** the following priority areas for the welfare overhaul:
- 7.1 increasing adequacy and accessibility of income support;
 - 7.2 better outcomes: employment and training;
 - 7.3 improving client experience and rebalancing the social contract;
 - 7.4 improving supports and services for disabled people, people with health conditions, and their carers;
 - 7.5 supporting transitions out of care and corrections facilities;
 - 7.6 reducing housing insecurity;
 - 7.7 enhancing the community sector;
 - 7.8 resetting the foundations;
- 8 **agreed** that priority initiatives over the next 12 months include:
- 8.1 implementing Child Support Pass-On;
 - 8.2 continuing to explore options to improve MSD's childcare assistance;
 - 8.3 continuing the Working for Families review to support work incentives (i.e. make work pay) and reduce child poverty;
 - 8.4 continuing the debt to Government work programme;
 - 8.5 exploring options on changes to hardship assistance settings;
 - 8.6 work to address the findings of the Active Labour Market Programme review;
 - 8.7 exploring the further expansion of MSD employment products and services particularly to older people and those not on a benefit;
 - 8.8 extending the period a recipient of Supported Living Payment can work for 15 hours or more a week;
 - 8.9 implementing the first steps of the Social Sector Commissioning Action Plan;
 - 8.10 exploring how MSD can better support young people exiting Oranga Tamariki care to independence;

- 8.11 starting work on improving uptake of Accommodation Supplement as a first step of the Accommodation Supplement review;
- 8.12 implementing the 10 actions from the Emergency Housing System Review;
- 8.13 continuing to make changes at Service Centres to improve accessibility and client experience;
- 9 **noted** that the Minister for Social Development and Employment's key initiatives over the next 1 to 3 years include beginning work on:
- 9.1 introducing the Welfare Overhaul Bill to reset the foundations of the welfare system;
- 9.2 embedding the Māori values framework across MSD;
- 9.3 exploring opportunities to align youth rates with those of other main benefits;
- 9.4 improving access to income support for those in split and shared care arrangements;
- 9.5 exploring the further expansion of MSD employment products and services;
- 9.6 exploring relationship definitions and unit of entitlement with a focus on those who are unable to work and alignment to the New Zealand Income Insurance Scheme;
- 9.7 increasing rates and expanding eligibility to Child Disability Allowance and Disability Allowance;
- 9.8 explore how to improve the effectiveness of the Steps to Freedom grant;
- 9.9 resuming the review of obligations and sanctions that impact child wellbeing;
- 9.10 progressing the broader Accommodation Supplement Review, including an area boundary review;
- 10 s 9(2)(f)(iv) 
- 11 **noted** that the Minister for Social Development and Employment directed MSD to conduct targeted engagement on the foundations of the welfare system in early 2022;
- 12 **agreed** to release the Foundation for Change targeted engagement findings report, attached as Appendix 4 under SWC-22-SUB-0241;
- 13 **noted** that the Minister for Social Development and Employment intends to release the advice from Ngā Mātanga Māori on a proposed Māori values framework for the welfare system, attached as Appendix 2 under SWC-22-SUB-0241;
- 14 **noted** that the Minister for Social Development and Employment intends to report back to SWC to seek agreement on policy decisions ahead of the introduction of a Welfare Overhaul Bill in 2024.

Rachel Clarke
Committee Secretary

Attendance (see over)

Present:

Rt Hon Jacinda Ardern
Hon Kelvin Davis
Hon Chris Hipkins
Hon Carmel Sepuloni (Chair)
Hon Andrew Little
Hon Poto Williams
Hon Damien O'Connor
Hon Peeni Henare
Hon Willie Jackson
Hon Jan Tinetti
Hon Michael Wood
Hon Kiri Allan
Hon Dr David Clark
Hon Dr Ayesha Verrall
Hon Priyanca Radhakrishnan
Hon Meka Whaitiri

Officials present from:

Office of the Prime Minister
Office of the Chair
Officials Committee for SWC