



6 JUN 2019




Dear 

On 20 April 2019, you requested under the Official Information Act 1982, the following information:

- *The number of jobs whose salary range is \$40 000?*
- *How many of these are for employees with medical occupations?*

The Ministry clarified this request with you over the phone and confirmed that the Ministry does have salary bands with a range of \$40 000 or more. We believe that this response meets the intent of your request. You may also be interested in the information about staffing and salary bands which is available on the Parliament website at:

[www.parliament.nz/en/pb/sc/submissions-and-advice/document/52SCSS\\_EVI\\_80907\\_2293/ministry-of-social-development-responses-to-written-questions](http://www.parliament.nz/en/pb/sc/submissions-and-advice/document/52SCSS_EVI_80907_2293/ministry-of-social-development-responses-to-written-questions)

On 1 May 2019  the Ministry requesting, under the Official Information Act 1982, the following information:

- *Any analysis of the taxpayers union report on benefit sanctions including any briefings to the welfare working group or Ministers on the same.*
- *Any briefings to the welfare working group on the extent of benefit fraud including any mention of the research by Chapple and Crichton and Chapel and Boston showing massive benefit fraud by using linked databases.*
- *Any briefings and analysis on the Chapple and Boston book on child poverty including their op-ed in the @nzlistener.*

As per the letter sent to you on 17 May 2019, we are unable to provide any information in response to your first two points under section 18(e) of the Official Information Act as this information does not exist or, despite reasonable efforts to locate it, cannot be found.

In regards to the third point, please find enclosed the attached document *Publication: "Child poverty in New Zealand" by Jonathan Boston and Simon Chapple.*

You will note that the names of some individuals are withheld under section 9(2)(a) of the Act in order to protect the privacy of natural persons. The need to protect the privacy of these individuals outweighs any public interest in this information.

Some information is withheld under section 9(2)(g)(i) of the Act to protect the effective conduct of public affairs through the free and frank expression of opinions. We believe the greater public interest is in the ability of individuals to express opinions in the course of their duty.

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 shortly. The Ministry will do this by publishing this letter and attachment 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 the analysis or briefings with us, please feel free to contact [OIA\\_Requests@msd.govt.nz](mailto: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](http://www.ombudsman.parliament.nz) or 0800 802 602.

Yours sincerely



Peter Alsop  
**Director Strategic Issues & Investment**



# memo

To: s 9(2)(a) [redacted]  
CC: s 9(2)(ā) OIA [redacted]  
From: s 9(2)(a) OIA [redacted]  
Date: 20 May 2014  
Security level: IN CONFIDENCE

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## Publication: “Child poverty in New Zealand” by Jonathan Boston and Simon Chapple

### Purpose

This memo provides you with information and commentary about a forthcoming book on child poverty by Jonathan Boston and Simon Chapple.

The book is scheduled for launch on 20 June 2014, and a series of public lectures and panel discussions are planned to promote the book, starting from Thursday 12 June.

### The Authors

Jonathan Boston is the Director of the Institute for Governance and Policy Studies in the School of Government at Victoria University and was recently co-Chair of the Children’s Commissioner’s Expert Advisory Group on Child Poverty.

Simon Chapple is a Senior Research Fellow at the Otago School of Medicine and was formerly a policy advisor to government.

### Overall assessment

Overall, our assessment is that the book does a good job of covering conceptual and measurement issues, and contains some interesting policy ideas.

9(2)(g)(i) [redacted]  
[redacted]  
[redacted]  
[redacted]

[redacted] we would caution against moving to adopt any of these ideas without further exploration.

## Ministry of Social Development involvement with the book

The authors asked s 9(2)(a) OIA to check that they had used his material fairly , however apart from that the Ministry has not been asked to fact-check or peer review this publication. The publication has a number of factual errors which weaken their arguments in places. These are briefly described in the appendix below, and we will make the authors aware of these errors.

The authors have also used a Ministry model to produce some of their analysis. The version of the model is out of date (2011), and as the authors point out, the Ministry has not been asked to verify the accuracy of the analysis they have undertaken using this model.

## Subject matter

The book includes chapters dealing with conceptual and measurement issues (chapters 1-3) and policy options (chapters 4-12).

### *Conceptual and measurement issues*

The conceptual and measurement issues covered in the book largely draw on existing publically available reference material, especially the Ministry's Household Incomes Report. While it does not extend this understanding into new realms, it provides a balanced and reasonable coverage of the issues, and is fair and accurate in its use of the Incomes Report.

The authors promote a multi-measure approach to monitoring child poverty and material hardship (in line with the MSD position), though they still privilege the 60% of median after housing costs measure as "the best quality measure" (p46). Of the range of measures they note, this is the one that gives the highest proportion of children in poverty.

Where the book does break some new ground is in its short summary of recent literature on the links between child poverty and wider child wellbeing outcomes. The book concludes that:

*" .... there is indeed good real world evidence of a causal effect of low family income on poor child outcomes. The size of that effect is not negligible. Low income is not simply masking related factors of poor parenting, poor school quality and poor neighbourhoods."*

This is in line with our reading of this evidence, although we would stress that other factors such as parenting practices and living in an emotionally warm and nurturing home environment are also critically important.

### *Policy options*

The book draws partly on the EAG's recommendations, and canvasses policy options across the following areas:

- measures, targets and institutional settings
- reform of taxes and benefit settings
- active employment programmes
- child support
- housing

- education
- parenting

The book presents a number of key themes in its exploration of policy options:

- the case for shifting the focus of government investment toward younger children
- the value of combining both a benefit and an employment strategy to reduce child poverty
- the importance of housing affordability and quality
- the need to actively consider the question of whether benefit levels are adequate (although the authors do not venture a direct view on this issue)
- the importance of evidence based policy based and experimentation
- the idea of a higher-spending left-wing package versus a lower spending right-wing package to address child poverty, and the implication that any future Government should do more to address child poverty.

The authors are critical of what they see as a lack of robust evidence on the effectiveness of a number of interventions in New Zealand. They argue that the policy framework for parenting and family functioning suffers from “a lack of coherence, patchy national coverage, and a wide range of policies and programmes that have not been satisfactorily tested for their effectiveness in changing parenting practices or improving outcomes for children”.

The authors are also critical of what they see as a lack of robust evidence on the effectiveness of a number of interventions in New Zealand. They argue that Government policy related to parenting and family functioning suffers from “a lack of coherence, patchy national coverage, and a wide range of policies and programmes that have not been satisfactorily tested for their effectiveness in changing parenting practices or improving outcomes for children”. They also argue that government policy has failed to adequately consider parental mental health from the perspective of the children affected, which is of particular concern given evidence suggests that mental conditions are more likely to be found amongst parents of poor children.

We think this is somewhat overstating the case, but we do agree that across government there is some room for improvement in the effectiveness of parenting programmes, as highlighted by the recent SuPERU review. This is a clear focus of the Investment Strategy currently being developed through the Ministry of Social Development’s Investing in Services for Outcomes programme.

The book recommends many of the same options that EAG recommended, but does include a number of new ideas. The following is a non-exhaustive list of some of key ideas canvassed in the book:

- adopting and legislating for official measures, regular reporting, and targets
- creating a ministerial portfolio for children and establishing a Ministry for children
- including child poverty as a Better Public Services priority area
- shifting the balance of government transfer payments toward younger children
- Replacing the in-work tax credit part of Working for Families with a Earned Income Tax Credit similar to that in the United States

- merging all the Working for Families tax credits into a single payment and indexing this to wages
- having a full-time work test for parents receiving benefits starting when the youngest child turns 5
- having income targeted additional ECE and OSCAR support
- passing on the first \$1,000 per annum of child support payments and then 50% of payments above that, to beneficiaries
- altering the accommodation supplement formula to give greater recognition to children
- changing the child support formula to give higher payments for younger children
- developing an integrated Child, Parent and Family service with the capacity to address the range of psychological, social, and economic needs of families facing multiple challenges.

### **Next steps**

Following on from our earlier advice to the Minister on strategic policy challenges within the social development portfolio, we are preparing a short paper with some initial small-scale pragmatic ideas which would allow the government to continue to make progress in addressing child poverty.

We will incorporate any ideas from the Chapple & Boston book that we consider useful into this paper, which we expect to have to the Minister by 19 June.



## APPENDIX: Factual errors

Although the authors did not seek input from the Ministry in the production of this book, we have undertaken a basic fact check to bring any material errors to your attention. We intend to pass this on to the authors.

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|--------------------------------------|--|
| <p>Page 106 – Indexation heading</p> | <p>States that indexation of social assistance in New Zealand has been ad hoc and subject to constant change for many decades.</p> <p>While some parameters of the system are not adjusted (e.g. cash asset limits, AS maxima) most are, and in particular the rates of main benefits have been adjusted annually for some decades. The FTC is not “partially inflation indexed” as suggested – it is indexed but not annually. Similarly it is not correct to state that the AS is not inflation adjusted – the cash asset test and maximum rates are not adjusted, but the maxima only affect about 40% of AS recipients. Other aspects of the AS do adjust in line with prices and accommodation costs.</p>   |
| <p>Page 130</p>                      | <p>Contains a number of minor factual errors – for instance the Child Disability Allowance is indexed (the book claims it is not), the AS is partially indexed (as discussed above), the Guaranteed Minimum Family Income is now called the Minimum Family Tax Credit, PTC is available to more than a “few” families (around 15,000 receive it each year).</p>  |
| <p>Page 131</p>                      | <p>States that “It is unclear from publically provided information on MSD’s website exactly what the formula is for determining the provision of Temporary Additional Support. The lack of public clarity about what people are eligible for is concerning.”</p> <p>The full operational guidelines including the formula and regulations are available on the Work and Income website:</p> <p><a href="http://www.workandincome.govt.nz/manuals-and-procedures/income_support/extra_help/temporary_additional_support/temporary_additional_support.htm">http://www.workandincome.govt.nz/manuals-and-procedures/income_support/extra_help/temporary_additional_support/temporary_additional_support.htm</a></p> |
| <p>Page 133</p>                      | <p>The claim that the increase in TAS grants per DPB-equivalent beneficiary between 2007/8 and 2011/12 is evidence of “a lack of income adequacy on a grand scale for children...” appears to be erroneous. TAS first came into existence from April 2006 and uptake grew rapidly in the first few years as people moved onto the new payment, while receipt of the grandparented Special Benefit declined.</p>  |
| <p>Page 151</p>                      | <p>Claims that various reforms including those proposed by the Welfare Work Group “... involved limited public consultation...” The WWG undertook considerable public consultation.</p>  |
| <p>Page 173</p>                      | <p>Says that sole parent beneficiaries receive \$132 per week more than a single person. This appears to be an error. Based on 2014 benefit rates, a sole person (aged 25+) receives \$209.06 per week, and a sole parent receives \$299.45 – a differential of \$93.39.</p>   |
| <p>Page 194</p>                      | <p>The first bullet point says government is providing \$27 million annually to extend income-related rents to the community housing sector. This is the four year total.</p>  |