



[REDACTED]

Dear [REDACTED]

On 30 October 2019 you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982, the following information:

- *With regard to your reference to the MSD helpline and their advice, please provide copies of all of the information that MSD holds regarding the suspension of benefits due to arrest warrants. This includes, but is not limited to, all relevant legislation, regulations, procedures, previous rulings, and case law.*

Warrants for arrest are issued by the Courts, and actioned by the Police. The Warrant to Arrest policy uses the Social Security Act 2018 to promote compliance with the justice sector obligations to improve the clearance rate of arrest warrants issued for criminal proceedings.

Warrants can be resolved at any courthouse. The Ministry of Justice advises the Ministry of any outstanding arrest warrants that have not been resolved within a 28 day period, and this information is matched against Ministry records. The Ministry sends a letter to advise the client that they have ten working days to present at a courthouse to either:

- Clear their warrant to arrest
- Provide evidence from Ministry of Justice to Work and Income they have taken reasonable steps to resolve the warrant but have been unable to do so because of reasons outside of their control
- Disputed they are the person to whom this warrant applies

Failure by the client to provide evidence from Ministry of Justice that they have resolved or are in the process of resolving their Warrant to Arrest will result in their benefit payments being reduced or stopped.

No more than 50 percent of a person's benefit is stopped for clients with children. For couples, payment will be stopped for the client who has the outstanding warrant, and the remaining portion is still paid to the spouse's partner. For more information regarding the Warrant to Arrest, please see the following link:

[www.workandincome.govt.nz/on-a-benefit/arrest-warrants.html](http://www.workandincome.govt.nz/on-a-benefit/arrest-warrants.html)

Your request for all information is very broad as it captures information such as client information and reporting. Substantial manual collation would be required to locate and prepare all documents within scope of your request. As such I refuse your request under section 18(f) of the Official Information Act. The greater public interest is in the effective and efficient administration of the public service.

I have considered whether the Ministry would be able to respond to your request given extra time, or the ability to charge for the information requested. I have concluded that, in either case, the Ministry's ability to undertake its work would still be prejudiced.

However, I am able to provide the following links to relevant legislation below:

- Factors affecting benefit: issue of warrant for beneficiary's arrest sections 209-216 Social Security Act 2018  
[www.legislation.govt.nz/act/public/2018/0032/latest/DLM6783554.html](http://www.legislation.govt.nz/act/public/2018/0032/latest/DLM6783554.html)
- Beneficiaries excluded from warrant to arrest provisions Part 4, subpart 7 Social Security Regulations 2018  
[www.legislation.govt.nz/regulation/public/2018/0202/latest/LMS96665.html](http://www.legislation.govt.nz/regulation/public/2018/0202/latest/LMS96665.html)

Case law and legislation are publicly available on [www.legislation.govt.nz/](http://www.legislation.govt.nz/) and [www.nzlii.org/](http://www.nzlii.org/). The Ministry uses the publicly available resources to view the legislation and the relevant case law as needed. The Ministry does not maintain a database of case law but the decisions are publicly available at [www.nzlii.org/](http://www.nzlii.org/).

Information referred to by the Ministry's staff for regulations and procedures regarding the suspension of benefits due to arrest warrants can be found at the following link:  
[www.workandincome.govt.nz/map/income-support/core-policy/warrant-to-arrest/index.html](http://www.workandincome.govt.nz/map/income-support/core-policy/warrant-to-arrest/index.html).

For your information, please find attached a response to a related request for all reports, briefings, and other documents provided to the Ministry related to imposing benefit sanctions on a beneficiary whom criminal proceedings have commenced against OR a beneficiary whom the New Zealand court has issued a warrant for their arrest since February 2019.

You will note that the information which identifies the requester is 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.

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

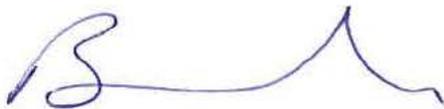
- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

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 your request regarding Warrant to Arrest further 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

A handwritten signature in blue ink, appearing to be 'Bridget Saunders', written in a cursive style.

Bridget Saunders  
**Team Manager Issue Resolution  
Service Delivery**



14 OCT 2019

s 9(2)(a) OIA

Dear s 9(2)(a) OIA

On 21 August 2019, you emailed the Ministry requesting, under the Official Information Act 1982, information and figures regarding warrants to arrest sanctions.

Warrants to arrest are issued by the Courts, and actioned by the Police. The Warrant to Arrest policy uses the Social Security Act to promote compliance with the justice sector obligations to improve the clearance rate of arrest warrants issued for criminal proceedings.

Warrants can be resolved at any courthouse. The Ministry of Justice advises the Ministry of any outstanding arrest warrants that have not been resolved within a 28 day period, and this information is matched against Ministry records. The Ministry sends a letter to advise the client that they have ten working days to present at the Ministry of Justice to clear their warrant, otherwise their benefit payments may be reduced or stopped.

No more than 50 percent of a person's benefit is stopped for clients with children. For couples, payment will be stopped for the client who has the outstanding warrant, and the remaining portion is still paid to the spouses' partner.

You can read more about the policy regarding warrants to arrest at the following link: [www.workandincome.govt.nz/on-a-benefit/arrest-warrants.html](http://www.workandincome.govt.nz/on-a-benefit/arrest-warrants.html).

Please take this information into consideration as you read through the information provided.

For the sake of clarity, your questions are addressed in turn.

- 1. I request all reports, briefings, and other documents provided to the Ministry of Social Development related to imposing benefit sanctions on a beneficiary whom criminal proceedings have commenced against OR a beneficiary whom the New Zealand court has issued a warrant for their arrest, since February 2019.*
- 2. I request all reports, briefings, and other documents provided to MSD related to the implementation of recommendations by the Welfare Expert Advisory Group regarding warrants to arrest sanctions.*

Enclosed are the following two documents found to be in scope of questions one and two:

Date	Title
February 2019	Options- Expectations, responsibilities incentives and consequences
February 2019	Obligations and Sanctions- Expectations, responsibilities, incentives, consequences

The two documents listed above were provided to the Welfare Expert Advisory Group (WEAG) by the WEAG Secretariat and were also forwarded to the Ministry. The options identified in these documents were provided to the WEAG to inform the development of their report, which has been finalised and released.

These options are not fully developed, and considerable further work would be required to develop comprehensive advice. The provision of further advice relating to the topics raised in these documents will be dependent on Government priorities for the welfare overhaul. For further information, publicly released background papers, evidence briefs, cabinet papers and cabinet minutes are available at the links below:

- [www.weag.govt.nz/weag-report/](http://www.weag.govt.nz/weag-report/)
  - [www.msd.govt.nz/about-msd-and-our-work/publications-resources/information-releases/welfare-expert-advisory-group-cabinet-papers-minutes-and-cover-sheets.html](http://www.msd.govt.nz/about-msd-and-our-work/publications-resources/information-releases/welfare-expert-advisory-group-cabinet-papers-minutes-and-cover-sheets.html)
3. *Please include a breakdown of all data by ethnicity and gender*
  4. *I request data regarding the number of warrants to arrest sanctions imposed by MSD since January 2014, broken down by year*
  5. *I request data regarding the dollar amount of warrants to arrest sanction penalties imposed by MSD since January 2014, broken down by year*

You will find enclosed two tables which provide the following information:

- Table One which shows the number of sanctions imposed due to unresolved warrants to arrest on working age main benefit clients from 1 January 2014 to 30 June 2019 broken down by year, gender and ethnic group.
- Table Two which shows the number of sanctions imposed due to unresolved warrants to arrest on working age main benefit clients from 1 January 2014 to 30 June 2019 broken down by year and type of sanction.

Please note the ethnicity classification that is used in this table does not necessarily align with the current Statistics New Zealand classification of ethnicity. Ethnicity details recorded by the Ministry have been gathered under a variety of classification methods as clients come into contact with the Ministry. The ethnicity data may be self-identified based on an individual's preference or self-construct.

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 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](mailto:OIA_Requests@msd.govt.nz).

If you are not satisfied with this response regarding warrant to arrest sanctions, 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



 Bridget Saunders  
**Manager, Issue Resolution, Service Delivery**

**Table One: Number of sanctions imposed due to unresolved warrants to arrest on Working Age Main Benefit clients from 1 January 2014 to 30 June 2019, broken down by year, gender and ethnic group.**

Gender and Ethnic Group		Calendar year					
		2014	2015	2016	2017	2018	2019*
Female	Māori	472	462	596	737	862	490
	Pacific Peoples	38	35	56	74	53	27
	NZ European	95	109	149	174	155	71
	Unspecified	4	8	8	12	15	9
	Other	16	13	22	38	36	25
	<b>Sub Total</b>	<b>625</b>	<b>627</b>	<b>831</b>	<b>1,035</b>	<b>1,121</b>	<b>622</b>
Male	Māori	589	694	817	948	1,009	692
	Pacific Peoples	71	79	99	98	99	66
	NZ European	193	224	251	269	273	193
	Unspecified	9	19	21	32	38	23
	Other	36	47	54	69	76	57
	<b>Sub Total</b>	<b>898</b>	<b>1,063</b>	<b>1,242</b>	<b>1,416</b>	<b>1,495</b>	<b>1,031</b>
<b>Total</b>	<b>1,523</b>	<b>1,690</b>	<b>2,073</b>	<b>2,451</b>	<b>2,616</b>	<b>1,653</b>	

**Table Two: Number of sanctions imposed due to unresolved warrants to arrest on Working Age Main Benefit clients from 1 January 2014 to 30 June 2019, broken down by year and type of sanction.**

Type of Sanction	Calendar year					
	2014	2015	2016	2017	2018	2019*
Reduced Rate	535	543	657	741	755	458
Suspension	988	1,147	1,416	1,710	1,861	1,195
<b>Total</b>	<b>1,523</b>	<b>1,690</b>	<b>2,073</b>	<b>2,451</b>	<b>2,616</b>	<b>1,653</b>

**Notes on Tables One and Two:**

- The 2019 data only covers the year to 30 June 2019.
- This is a count of sanctions not clients. A client may have had multiple sanctions in the period reported.
- The above tables include working age people only (18 to 64 years).
- Main Benefits exclude NZ Superannuation, Veteran's Pension, Non-Beneficiary assistance, Orphan's Benefit and Unsupported Child's Benefit.
- Unspecified ethnic group is where the ethnicity of the client has not been provided.

## Obligations & Sanctions – Expectations, responsibilities, incentives, consequences

### Changes to obligations & sanction in line with the new government vision

- Mutual expectations and mutual responsibilities would form the basis of the social contract between New Zealanders and the State. They would need to be evident in all layers of the public service that contribute to the overall wellbeing of people who access benefits.
- The assumption is that the majority of the people receiving welfare want to engage and would understand there are conditions to receiving support. In return they should expect to receive the appropriate help and encouragement to fulfil what is expected and what would be best for their wellbeing. This mutuality forms the basis between the people and the service with an explicit responsibility on the service to ensure people receive everything they may be entitled to.
- At the heart of positive change is a trusted relationship so the parties to the relationship need to be clear on each other responsibilities. The relationship would be based on mutual trust and respect.
- Mutual expectations and responsibilities should be centred on the individual, the family/Whanau/children and include expectations of other agencies or organisations that might be key to their future wellbeing
- Work expectations should reflect what is best for a person's wellbeing and extend beyond paid work to incorporate volunteering
- Sanctions need to be modest, only used as a last resort and balanced with simple explicit mutual responsibilities

### Problem definition (overall view of the current state)

- Current obligations are numerous, complex and predominantly work focussed. Different benefits have different obligations adding to the complexity and misunderstanding. They are one-sided aimed at the people receiving benefits. People don't understand what's expected of them. There are no corresponding obligations on the delivery agency.
- Belief that a "stick" approach motivates people to engage with Work & Income, to seek and move into work.
- Work related obligations are not client/family/Whanau centred. They do not reflect the changing nature of work (no longer 40 hours Monday to Friday) or changing family structures
- The sanction administration practices are variable and punitive. Sanctions are easy to apply and disempower people emotionally. People report they feel they are being blamed or treated like they are trying to rip off the system. They feel caught between the system and their role of maintaining a family.
- Strong financial sanctions tend to increase poverty with negative effects on wellbeing.
- Stopping benefit monies disrupts lives, interrupts automatic payments for essential costs, incurs additional fees and results in added stress or embarrassment
- Maori are disproportionately represented where sanctions have been imposed

	Current state	Short term options	Longer term	Future state
<b>OBLIGATIONS AND SANCTIONS</b>	<p>There is no current evidence or research available on the view of mutual expectations or mutual responsibilities.</p> <p>MSD culture change following the new government vision is underway.</p> <p>Currently 35% (78K) of people on benefit have an allocated case manager. The decision to allocate a case manager is based on a predictive model that estimates that a client is likely to benefit from individual case management. There is no opportunity for people to elect to have a case manager voluntarily.</p> <p>Nearly 1400 people have an "Intensive client support manager" and they report helpful experiences and positive relationships. In most of the case studies, intensive case management was effective in increasing time spent off benefit and/or in employment, and lower benefit system costs more than offset the costs of the programme (where estimates are available)</p> <p>People without a direct case manager relationship report it is common to tell their story over and over. Contradictory information is stressful and frustrating. There is no consistent person to build trust and a relationship with.</p>	<p>Improve practices to ensure people are receiving what they are entitled to</p> <p>Continued focus on changing the culture and extend beyond service delivery</p> <p>Invest in front line employees to be skilled, qualified and incentivized to help people.</p> <p>Value and recognize activities to participate in volunteering and that participation is voluntary. No sanctions if cease to participate.</p> <p>An approach underpinned by the following principles:</p> <ol style="list-style-type: none"> <li>1. Employment is the primary goal. Plans are developed with the person to achieve this. The person owns the plan</li> <li>2. Everyone who wants it is eligible for employment support;</li> <li>3. Job search is consistent with individual preferences;</li> <li>4. Job search is rapid: beginning within one month;</li> <li>5. Employment specialists develop relationships with employers based upon a person's work preferences;</li> <li>6. Support is time-unlimited and individualised to both the employer and the employee;</li> <li>7. Advice on how welfare benefits and IRD supports the person through the transition from benefits to work</li> </ol>	<p>High quality experience when people require welfare assistance.</p> <p>Supporting people to achieve their potential of learning, caring or volunteering and earning through good and rewarding work.</p> <p>Resourcing is appropriate to meet expected outcomes.</p> <p>Review case management allocation model so people with complex needs can build a mutual relationship.</p> <p>Lower caseloads</p> <p>Evidence based policy is balanced with complimentary administration practices</p>	<p>People's needs and wellbeing are at the core of all decision making through all layers of the delivery agency.</p> <p>A supportive relational service that is valued by all parties</p> <p>Options to have services provided by the most appropriate people/organisation e.g. Whanau Ora</p> <p>Provision of individualised systems of support e.g. person-centred, responsive, flexible across the life span, proactive</p> <p>Person at the centre e.g. services/supports aligned to person's identified needs, measure and use personal outcomes</p>

SANCTIONS	<p><b>Incentives</b></p> <p><b>Financial</b></p> <p><b>Non-financial</b></p>	<p>Financial sanction penalties are set at 50% or 100%</p> <p>In international comparisons out of 40 countries New Zealand is ranked 14<sup>th</sup> most strict (Langenbucher, 2015)</p> <p>Incentive payments are not common practice but up to \$5000 for <u>approved</u> programmes or services can be made if related to employment and work readiness assistance, to enable a client to do one or more of the following activities: enter or retain employment; take up an offer of suitable employment; relocate to take up an offer of suitable employment or where there are better employment opportunities; gain employment skills; enter into study or employment-related training. Current <u>approved</u> programmes are minimal and only include in-work support (phone service delivered by the contact centre paying just over 400 clients in a year an average of \$1700 each) and intensive client support trials (paid to 92 clients in a year an average of \$1250)</p> <p>A \$21 per week non-taxable allowance is available for participating in a community project. Minimal use. (\$257K spent last year)</p> <p>Youth Payment and Young Parent Payment can receive \$10 per week for each of the following activities:</p> <p>Youth Education Incentive Payment</p> <p>Youth Budgeting Incentive Payment</p> <p>Youth Parenting Education Incentive Payment</p>	<p>Active labour market policies as per work-stream</p> <p>Re-balance the use of sanctions as a last resort and monitoring reflects minimal use. Explore the reasons people do not want to/cannot engage and address the causes in a helpful way.</p> <p>Ready access to pooled funding to support people to "explore their options". This crosses over with the active labour market policies but could have a wider scope for case manager discretion. E.g. small payments to remove barriers or to build confidence or motivation; job searching costs; travel to interviews; training; other learning; volunteering; costs of keeping in touch with a case manager,</p> <p>Increased access to the current Incentive payments by skilled and trained employees practiced in providing relational services. Monitoring to see the use is aligned to mutual expectations and responsibilities.</p> <p>Seek out programs that support efforts to boost education and skills including voluntary employment programs.</p> <p>One to one case management for those that request it</p>	<p>Review 3 tier graduated sanction regime. A more graduated approach e.g. 10%, 20% financial sanctions. Maximum 50%.</p> <p>A supportive personal response to help people meet expectations and responsibilities. Empower people at every opportunity.</p> <p>Consider innovative ways to support Maori to enter and remain in work</p> <p>Offer alternative case management options including iwi or kaupapa Maori based services</p> <p>Resourcing is appropriate to meet expected outcomes</p>	<p>Service delivery and case management model that is consistent with the overall purpose, principles and values.</p> <p>Operating model that incentivizes workers to help people.</p> <p>Improved income adequacy as per work-stream. Make work pay.</p> <p>Working for families and tax credits incentivise transitions to work</p>
WORK RELATED OBLIGATIONS WHERE THERE ARE DEPENDANT CHILDREN	<p><b>Children at the centre</b></p> <p><b>Whanau centred</b></p> <p><b>Parenting priorities</b></p>	<p>There are 4 work related obligations that apply to people on benefit with dependent children.</p> <ol style="list-style-type: none"> <li>1. Sole parents with children age 0 to 2 are obligated to be preparing for work.</li> <li>2. Sole parents and couples with children age 3 to 13 have part-time work obligations</li> <li>3. Sole parents and couples with children age 14 and over have full time work obligations.</li> <li>4. The "subsequent child" policy was introduced in 2013. If an additional child is included in benefit, the sole parent or partner will have work preparation obligations until the child turns 12 months of age. When that child turns 12 months of age, the sole parent or partner's obligations will be based on the age of the next youngest child.</li> </ol> <p>When challenged do the current choices provide the best for children being supported?</p>	<p>Provide more generous support to move into work that is sensitive to the individual circumstances. Deferring expectations should be thoughtful and relevant - for example children with disability or behavioral needs; teenagers requiring additional support / supervision.</p> <p>Additional support to provide incentives to work e.g. Increase assistance and options for child care, how additional income is assessed and benefit payments are abated.</p> <p>Remove work related obligations for all people on a benefit with dependent children.</p> <p>The age at which obligations apply is determined in agreement with the parent/s or Whanau</p> <p>Provide continuous opportunities to develop, maintain and upgrade skills through learning, training, volunteering or caring for children regardless of the age of the children</p>	<p>Financial support for a child follows the child</p>	

<b>WORK RELATED OBLIGATIONS</b>	<p><b>Pre-employment drug testing</b></p> <p><b>Sanction oriented vs. health oriented</b></p>	<p>New Zealand's pre-employment drug testing policy was introduced in 2013 as part of the then-Government's welfare reforms. The policy requires all clients with work obligations to undertake and pass any pre-employment drug test requested by an employer or training provider as part of the application process for a suitable job, or as a prerequisite for a suitable training course.</p> <p>The primary policy rationale was to prevent drug use being a barrier to employment for beneficiaries, and to set the expectation that recreational drug use is "not an acceptable excuse for avoiding available work" (Bennett, 2012). At the time, around 40 percent of vacancies advertised through Work and Income required pre-employment drug-tests, primarily for health and safety reasons (Bennett, 2012). Prior to the policy's introduction, clients could opt out of applying for suitable jobs that required a pre-employment drug test, if they would not be able to pass.</p> <p>There is no requirement to participate in treatment in order to qualify for or continue to receive income support.</p> <p>There is no way of estimating the extent of substance use and dependency among people on benefits.</p> <p>Failure to meet drug-testing obligations without a good and sufficient reason, may lead to an obligations failure being initiated and a sanction being imposed. Administration and policy guidelines for front line workers require a level of understanding of drug use so can be open to individual interpretation. The sanctions are multi layered with time frames that are complex to administer.</p> <p>Since 2014 there has been an average of 95 sanctions per annum applied for drug-related obligation failures.</p> <p>There is currently little evidence on the effects of drug test obligations and sanctions for welfare recipients.</p>	<p>Less than 100 people per annum have been sanctioned indicating minimal enforcement. Remove the obligation pre-employment drug testing obligation</p> <p>Employers will still drug test.</p> <p>Working with employers to improve access to employment opportunities – active labour market policies</p> <p>Distinguish between recreational users and those with substance use disorders. Approaches that help those with substance use disorders access treatment and gain and maintain employment.</p> <p>In the United Kingdom, the current focus is on encouraging substance users to voluntarily engage with recovery services. Moving away from a 'recover first/find work second' approach towards viewing employment and other meaningful activity as part of recovery.</p>	<p>Improve access to drug and alcohol services for all New Zealanders with problematic drug and alcohol use.</p> <p>Intensive one-to-one support from trained key workers to stabilize the circumstances of the client.</p>	
<b>OBLIGATIONS</b>	<p><b>Social Obligations</b></p>	<p>People receiving a benefit must take reasonable steps to meet social obligations as a parent or a caregiver. These obligations require them to take all reasonable steps to ensure their child is enrolled with a medical practice, is up to date with Well Child/Tamariki Ora checks, and is enrolled and attending early childhood education or school.</p> <p>If a client has been through a regular engagement and support process and is not taking all reasonable steps to meet one of their social obligations and they do not have a good and sufficient reason for failing to meet their social obligation, then an obligations failure may be initiated.</p> <p>A sanction has never been applied for failure to comply with social obligations.</p> <p>Empirical Evidence on the effects of social obligations attached to welfare benefits and other payments in high income countries is limited.</p> <p>MSD is often seen as the social support agency and when people seek help with wider</p>	<p>Remove these obligations – there is no support to continue a financial punitive approach</p> <p>Few high-income countries apply social obligations within their welfare benefit and other payment systems. Examples from other countries include Australia (where some benefits are conditional on children receiving vaccinations, and conditioning payments on enrolling in and attending school has been trialled), the United States (US) (where some states have social obligations relating to eg school attendance and immunisations) and France (where family benefits were made conditional on school attendance but this was subsequently reversed). A few other OECD countries have payments for pregnant women or children that are conditional on accessing specified universal pre- or post-natal services.</p> <p>In a number of low- and middle-income countries, the introduction of new cash transfers has been made conditional on eg children's school attendance, or this kind of 'conditional cash transfer' (CCT) approach has been trialled. This approach has also been trialled in recent 'Family Rewards' demonstration studies in the US.</p>	<p>What is the responsibility of MSD in supporting people to improve social outcomes and how this is done operationally? E.g. if a child is truant from school; how to navigate health care for their children.</p> <p>Skilled/trained workers/ kaiawhina to support families in need</p> <p>Offer alternative case management options including iwi or kaupapa Maori based services to help navigate across all services</p> <p>Health interface</p> <p>Education interface</p> <p>Oranga Tamariki interface</p>	<p>Holistic joined up cross government partnered support to connect people to all the support they need for their wellbeing</p>

	<p><b>Warrants to arrest</b></p>	<p>A data matching agreement with Ministry of Justice when a Warrant to Arrest has been issued over 28 days and to see if the person is in receipt of a benefit. Benefit payments are suspended or reduced if the WTA isn't cleared within 10 working days. Police can request immediate benefit suspension if the person is a risk to public safety</p> <p>In the year ending 30 June 2018 4300 people received a notification letter. 64% (2753) were Maori. Over half of these people cleared their warrant within 10 days but 47% (2091) had their benefit stopped as a sanction. Of the people sanctioned 47% were age 25 to 34 years of age. There is no available data for WTA sanctions applied where there are children</p>	<p>Remove this obligation for everyone</p> <p>Continue information share with Ministry of Justice. Take a pro-active approach to contact these people and remove or limit sanctions</p> <p>Remove this obligation only from people with children keeping it in place for people without children</p> <p>Explore why people cleared their warrant to arrest following a notification – were they aware there was a warrant for their arrest?</p>	<p>Justice Interface.</p> <p>Offer alternative case management options including iwi or kaupapa Maori based services to help navigate across all services</p>	
	<p><b>52 week re-application for a benefit for sole parents</b></p>	<p>Generally all clients receiving Jobseeker Support or Sole Parent Support must re-apply for their benefit every 52 weeks and complete a Comprehensive Work Assessment. If a client does not complete the re-application process within stipulated time frames their benefit is cancelled. Clients in the Work Focused Case management service are expected to complete their re-application in person.</p> <p>This obligation was introduced to sole parents in 2016. It has been in place for job seekers since 2010.</p> <p>Feedback from sole parents during consultation has been critical of this relatively new obligation</p> <p>Recent data (only 2 years available) indicates this obligation has had no effect on the number of sole parent support benefits payable.</p>	<p>Remove this obligation that adds administrative pressure on sole parents.</p> <p>Return to the process pre 2016 where sole parents completed an annual review process to check for any changes to their circumstances, verify their income, review the rate of their benefit and discuss work. (This annual review did not include a full re-application process or specified requirements for cancellation of benefit.)</p> <p>Allow options for this (at least) annual review to be face to face with trained workers to ensure they are receiving everything they are entitled to.</p>	<p>Resourcing is appropriate to meet expected outcomes</p>	
	<p><b>Pre benefit activities</b></p>	<p>Pre-benefit activities require job seekers to attend a Work For You seminar and to complete a job seeker profile.</p> <p>The client applying for benefit is obliged to complete the activity once it has been assigned to them, in order for their application for benefit to be progressed (otherwise the application will lapse after 20 working days).</p>	<p>Enable simple and straightforward accessibility to the system by removing this obligation</p> <p>Act early and quickly to introduce people to the service and financial support.</p> <p>First interaction should be to understand someone's individual situation so appropriate support is immediate</p> <p>Labour market Interface – act early</p>	<p>Resourcing is appropriate to meet expected outcomes</p> <p>Trained and skilled front line staff in</p> <p>Offer alternative case management options including iwi or kaupapa Maori based services</p>	
<p><b>SANCTIONS</b></p>	<p><b>Non-entitlement periods for 3 obligation failures, refusing a job or leaving a job</b></p>	<p>There are 3 occasions where a 13 week "stand down" may be used:</p> <ol style="list-style-type: none"> <li>1. Benefit is cancelled and there is no further entitlement for 13 weeks if a client without children <u>fails 3 obligations in a 12 month period</u>. For sole parents the benefit rate is cut by 50% for 13 weeks.</li> <li>2. Someone who <u>refuses an offer of suitable work</u> can immediately be subject to a 13 week non-entitlement period. There have been 73 people sanctioned nationally in the last year.</li> <li>3. A person applying for a benefit with work obligations, can have a voluntary unemployment stand down imposed (13 week non-entitlement period) if they have become <u>voluntarily unemployed without a good and sufficient reason or are applying for a benefit because they were dismissed by their employer for misconduct</u>. There have been just over 700 people sanctioned in the last year. 16 were sole parents.</li> </ol>	<p>Take a fair approach and explore the situation to determine what happened. What else is needed to help</p> <p>Remove 13 week non-entitlement sanctions</p>	<p>Resourcing is appropriate to meet expected outcomes</p> <p>Offer alternative case management options including iwi or kaupapa Maori based services to help navigate across all services</p>	

	OPTIONS - Expectations, responsibilities, incentives and consequences	Trade offs
<p style="text-align: center;"><b>Mutual responsibilities</b></p>	<p>Mutual expectations and mutual responsibilities would form the basis of the social contract between New Zealanders and the State. Rebalancing this contract includes responsibilities of MSD to ensure people know what they are entitled to and to prioritise people receive their full and correct entitlements.</p> <p>Approaches may include</p> <ol style="list-style-type: none"> <li>1. Service provision. High quality services that treat people with dignity and respect. A service based on relationships and wrap around services with the person/Whanau at the centre. Places that are welcoming providing a positive experience every time. Services that are easy to access and simple to understand.</li> <li>2. Regulation. A performance framework that holds MSD to account for the quality of the service and how people are treated. Setting and enforcing minimum standards to lift quality. On-going monitoring and improvement expectations.</li> <li>3. Incentives. Reducing financial barriers by providing an income sufficient to live on. Other financial incentives including tax credits, abatement rates when working part time and active labour market policies. More generous child care provisions.</li> <li>4. Case management. A one to one face to face service accessed by those for whom it will make the most difference. Voluntary basis but accompanied by targeting or eligibility criteria. Varying levels of case management including caseload numbers and intensity of service. Provision to work cross agencies with navigator services.</li> <li>5. Information, education and support resources. Social marketing campaigns</li> </ol>	<p>Simplify and re-design income support system has potential for savings through less administration.</p> <p>Quality public employment service resulting in more people into sustainable work</p> <p>Increased fiscal cost as per adequacy work stream</p> <p>Additional fiscal cost from increased take up</p> <p>Additional operational costs for lower caseloads.</p>
<p style="text-align: center;"><b>OBLIGATIONS</b></p> <p style="text-align: center;"><b>Expectations of the people receiving support</b></p> <p style="text-align: center;"><b>Mutual expectations &amp; responsibilities</b></p>	<p>Retaining current obligations as expectations of the people receiving support</p> <ul style="list-style-type: none"> <li>- the requirement to report to MSD any changes that might affect the amount of benefit that is paid (receiving additional income; starting work ; amending personal details; partner/spouse or children; living costs; hospitalisation)</li> <li>- advising overseas travel</li> <li>- looking for and being available for full time work (no dependent children)</li> </ul> <p>Remove work related obligations for all people on benefit with dependent children OR</p> <p>Re-design the stages that work obligations apply – age 3 for part time work and 14 for full time work. The latter also means a transfer from sole parent support to job seeker support.</p> <p>Outline "learning" as an option to meet the expectations of receiving support. Streamline the interface with Studylink and minimise differences between benefits and student loans / allowances. Supporting learning without having to transfer between systems. Recognise other learning opportunities beside tertiary.</p> <p>Extend the expectation to look for work to include volunteer work especially as it relates to increased participation, skill development and boosting prospects of finding paid work</p> <p>Re-write and communicate clear expectations to reflect the new purpose, principles and values</p>	
<p style="text-align: center;"><b>OBLIGATIONS</b></p> <p style="text-align: center;"><b>Simplify</b></p> <p style="text-align: center;"><b>Reduce complexity</b></p>	<p>Remove these obligations: (all require legislative changes)</p> <ol style="list-style-type: none"> <li>1. Pre benefit activities – enable simple and straightforward accessibility to the system. Act early and quickly to introduce people to the service and financial support. First interaction should be to understand someone's individual situation so appropriate support is immediate.</li> <li>2. Subsequent child policy – a person having an additional child while on benefit</li> <li>3. Warrants to arrest. Continue information share with Ministry of Justice. Take a pro-active approach to contact these people. Explore why people cleared their warrant to arrest following a notification – were they aware there was a warrant for their arrest?</li> <li>4. Social obligations. What is the responsibility of MSD in supporting people to improve social outcomes and how this is done operationally? E.g. if a child is truant from school; how to navigate health care for their children. Skilled/trained workers/ kaiawhina to support families in need. Offer alternative case management options including iwi or kaupapa Maori based services to help navigate across all services</li> <li>5. Pre-employment drug testing. Consider alternative approaches as ways to improve outcomes. Distinguish between recreational users and those with substance use disorders. Approaches that help those with substance use disorders access treatment and gain and maintain employment. Intensive one-to-one support from trained key workers to stabilize the circumstances of the client.</li> <li>6. Work ability assessment. A blanket requirement to attend and participate in an assessment &amp; interview. Variable current use.</li> <li>7. Re-apply for benefit every 52 weeks. All work obligated clients have this requirement. Replace with a minimum of an annual review for everyone. Increase mechanisms to encourage regular engagement with wider seamless community support</li> </ol> <p>NOTE: Removing any obligation (as above) would mean the corresponding sanctions would be negated</p>	<ol style="list-style-type: none"> <li>1. While people complete their pre-benefit activities they may, on occasions, secure employment before benefit is granted. Accessing assistance sooner may increase cost.</li> <li>2. Removes compliance in line with government vision for children</li> <li>3. Taking a helpful approach supporting people across agencies</li> <li>4. Current practice does not support social obligations</li> <li>5. Pressure and increased demand on drug related health services.</li> <li>6. Refer health &amp; disability work stream.</li> <li>7. Re-application process is administrative heavy. Simple and consistent approach regardless of benefit type cost saving.</li> </ol>

Children at the centre

Consequences

	<b>Impact on main benefit (if client fails without good and sufficient reason)</b>	<b>Impact on supplementary assistance<sup>1</sup></b>
<b>Grade one sanction</b> (first failure in a 12 month period)	Benefit reduced by 50 percent (for clients with or without dependent children) Benefit will restart once the client completes the activity they failed to do	Supplementary assistance is not affected
<b>Grade two sanction</b> (second failure in a 12 month period)	Benefit suspended by 100 percent for clients with no dependent children (or 50 percent for clients with dependent children) Benefit will restart once the client completes the activity they failed to do	100 percent suspension for clients with no dependent children 50 percent suspension for couples with dependent children Not affected for single clients with dependent children <sup>2</sup>
<b>Grade three sanction</b> (third failure in a 12 month period) <b>AND</b> <b>Job refusal sanction</b> (refuses an offer of suitable employment)	Benefit cancelled by 100 percent for clients with no dependent children (or 50 percent for clients with dependent children) for 13 weeks <sup>3</sup> To reemploy the client must take part in an approved activity for at least six weeks	100 percent cancellation for clients with no dependent children 50 percent cancellation for couples with dependent children Not affected for single clients with dependent children

**Option 1:** Retain this 3 tier sanction regime with the explicit proviso the use of sanctions is a last resort and regular monitoring reflects minimal use. Expectations of MSD to explore the reasons people do not want to/cannot engage and address the causes in a helpful way. Take a fair individual approach and explore the situation to determine what happened. What other help is needed?

**QR** Retain the 3 tier sanction regime as above but remove the 13 week non-entitlement period for

- 3 obligation failures in a year
- Refusing the offer of suitable work
- leaving a job voluntarily or for misconduct.

**QR** Retain 3 tier sanction regime but remove all financial sanctions for people on benefit with dependent children.

**Option 2:** Review 3 tier graduated sanction regime to a more graduated approach e.g. 10%, 20% financial sanctions. Set a maximum e.g. 50%.

**Option 3:** Change from a sanctions regime to one of financial incentives:

Replacing sanctions that reduce or remove financial assistance with degrees of money management including a cash card or vouchers.

Seek out programs that support efforts to boost education and skills including voluntary employment programs. Encourage part time work. Pay an additional payment for participating in these activities that support positive future sustainable paid work. "Participation allowance" could be removed where cases warrant.

Increased access to the current incentive payments by skilled and trained employees practiced in providing relational services. Financial incentives are discretionary, linked to individualized return to work plans and deliberately remove barriers to progressing. These are different to active labour market policies and are currently used by the Intensive Client Support Managers (as seen in Porirua, Naenae and Rotorua during consultation or site visits)

Requires strong active labour market policies.

Additional resourcing to investigate cases

The threat of sanctions can act as a deterrent. Consider curbing people from throwing away their job without consequence.

<sup>1</sup> Supplementary assistance refers to Accommodation Supplement, Disability Allowance and Temporary Additional Support. Best Start Tax Credit and Family Tax Credit are not included. Disability Allowance and the Winter Energy Payment are not impacted.

<sup>2</sup> During a period of suspension or cancellation, a single person with dependent children is entitled to receive 50 percent of that benefit rate and the relevant income test applies, but at half the abatement rate in that income test.

<sup>3</sup> During the 13 week non-entitlement period, a client can be granted a provisional benefit from the date they start an approved six-week activity. The provisional benefit payment continues until the six-week activity ends, or the non-entitlement period ends (whichever is earlier).

	OPTIONS - Expectations, responsibilities, incentives and consequences	Trade offs
<p><b>Mutual responsibilities</b></p>	<p>Mutual expectations and mutual responsibilities would form the basis of the social contract between New Zealanders and the State. Rebalancing this contract includes responsibilities of MSD to ensure people know what they are entitled to and to prioritise people receive their full and correct entitlements.</p> <p>Approaches may include</p> <ol style="list-style-type: none"> <li>1. Service provision. High quality services that treat people with dignity and respect. A service based on relationships and wrap around services with the person/Whanau at the centre. Places that are welcoming providing a positive experience every time. Services that are easy to access and simple to understand.</li> <li>2. Regulation. A performance framework that holds MSD to account for the quality of the service and how people are treated. Setting and enforcing minimum standards to lift quality. On-going monitoring and improvement expectations.</li> <li>3. Incentives. Reducing financial barriers by providing an income sufficient to live on. Other financial incentives including tax credits, abatement rates when working part time and active labour market policies. More generous child care provisions.</li> <li>4. Case management. A one to one face to face service accessed by those for whom it will make the most difference. Voluntary basis but accompanied by targeting or eligibility criteria. Varying levels of case management including caseload numbers and intensity of service. Provision to work cross agencies with navigator services.</li> <li>5. Information, education and support resources. Social marketing campaigns</li> </ol>	<p>Simplify and re-design income support system has potential for savings through less administration.</p> <p>Quality public employment service resulting in more people into sustainable work</p> <p>Increased fiscal cost as per adequacy work stream</p> <p>Additional fiscal cost from increased take up</p> <p>Additional operational costs for lower caseloads.</p>
<p><b>OBLIGATIONS</b></p> <p><b>Expectations of the people receiving support</b></p> <p><b>Mutual expectations &amp; responsibilities</b></p>	<p>Retaining current obligations as expectations of the people receiving support</p> <ul style="list-style-type: none"> <li>- the requirement to report to MSD any changes that might affect the amount of benefit that is paid (receiving additional income; starting work ; amending personal details; partner/spouse or children; living costs; hospitalisation)</li> <li>- advising overseas travel</li> <li>- looking for and being available for full time work (no dependent children)</li> </ul> <p>Remove work related obligations for all people on benefit with dependent children OR</p> <p>Re-design the stages that work obligations apply - age 3 for part time work and 14 for full time work. The latter also means a transfer from sole parent support to job seeker support.</p> <p>Outline "learning" as an option to meet the expectations of receiving support. Streamline the interface with Studylink and minimise differences between benefits and student loans / allowances. Supporting learning without having to transfer between systems. Recognise other learning opportunities beside tertiary.</p> <p>Extend the expectation to look for work to include volunteer work especially as it relates to increased participation, skill development and boosting prospects of finding paid work</p> <p>Re-write and communicate clear expectations to reflect the new purpose, principles and values</p>	
<p><b>OBLIGATIONS</b></p> <p><b>Simplify</b></p> <p><b>Reduce complexity</b></p>	<p>Remove these obligations: (all require legislative changes)</p> <ol style="list-style-type: none"> <li>1. Pre benefit activities - enable simple and straightforward accessibility to the system. Act early and quickly to introduce people to the service and financial support. First interaction should be to understand someone's individual situation so appropriate support is immediate.</li> <li>2. Subsequent child policy - a person having an additional child while on benefit</li> <li>3. Warrants to arrest. Continue information share with Ministry of Justice. Take a pro-active approach to contact these people. Explore why people cleared their warrant to arrest following a notification - were they aware there was a warrant for their arrest?</li> <li>4. Social obligations. What is the responsibility of MSD in supporting people to improve social outcomes and how this is done operationally? E.g. if a child is truant from school; how to navigate health care for their children. Skilled/trained workers/ kaiawhina to support families in need. Offer alternative case management options including iwi or kaupapa Maori based services to help navigate across all services</li> <li>5. Pre-employment drug testing. Consider alternative approaches as ways to improve outcomes. Distinguish between recreational users and those with substance use disorders. Approaches that help those with substance use disorders access treatment and gain and maintain employment. Intensive one-to-one support from trained key workers to stabilize the circumstances of the client.</li> <li>6. Work ability assessment. A blanket requirement to attend and participate in an assessment &amp; interview. Variable current use.</li> <li>7. Re-apply for benefit every 52 weeks. All work obligated clients have this requirement. Replace with a minimum of an annual review for everyone. Increase mechanisms to encourage regular engagement with wider seamless community support</li> </ol> <p>NOTE: Removing any obligation (as above) would mean the corresponding sanctions would be negated</p>	<ol style="list-style-type: none"> <li>1. While people complete their pre-benefit activities they may, on occasions, secure employment before benefit is granted. Accessing assistance sooner may increase cost.</li> <li>2. Removes compliance in line with government vision for children</li> <li>3. Taking a helpful approach supporting people across agencies</li> <li>4. Current practice does not support social obligations</li> <li>5. Pressure and increased demand on drug related health services.</li> <li>6. Refer health &amp; disability work stream.</li> <li>7. Re-application process is administrative heavy. Simple and consistent approach regardless of benefit type cost saving.</li> </ol>

Children at the centre

Consequences

	<i>Impact on main benefits (if client fails without good and sufficient reason)</i>	<i>Impact on supplementary assistance<sup>1</sup></i>
<b>Grade one sanction</b> (first failure in a 12 month period)	Benefit reduced by 50 percent (for clients with or without dependent children) Benefit will restart once the client completes the activity they failed to do	Supplementary assistance is not affected
<b>Grade two sanction</b> (second failure in a 12 month period)	Benefit suspended by 100 percent for clients with no dependent children (or 50 percent for clients with dependent children) Benefit will restart once the client completes the activity they failed to do	100 percent suspension for clients with no dependent children 50 percent suspension for couples with dependent children Not affected for single clients with dependent children <sup>2</sup>
<b>Grade three sanction</b> (third failure in a 12 month period) <b>AND</b> <b>Job refusal sanction</b> (refuses an offer of suitable employment)	Benefit cancelled by 100 percent for clients with no dependent children (or 50 percent for clients with dependent children) for 13 weeks <sup>3</sup>  To reapply the client must take part in an approved activity for at least six weeks	100 percent cancellation for clients with no dependent children 50 percent cancellation for couples with dependent children Not affected for single clients with dependent children

Option 1: Retain this 3 tier sanction regime with the explicit proviso the use of sanctions is a last resort and regular monitoring reflects minimal use. Expectations of MSD to explore the reasons people do not want to/cannot engage and address the causes in a helpful way. Take a fair individual approach and explore the situation to determine what happened. What other help is needed?

QR Retain the 3 tier sanction regime as above but remove the 13 week non-entitlement period for

- 3 obligation failures in a year
- Refusing the offer of suitable work
- leaving a job voluntarily or for misconduct.

QR Retain 3 tier sanction regime but remove all financial sanctions for people on benefit with dependent children.

Option 2: Review 3 tier graduated sanction regime to a more graduated approach e.g. 10%, 20% financial sanctions. Set a maximum e.g. 50%.

Option 3: Change from a sanctions regime to one of financial incentives:

Replacing sanctions that reduce or remove financial assistance with degrees of money management including a cash card or vouchers.

Seek out programs that support efforts to boost education and skills including voluntary employment programs. Encourage part time work. Pay an additional payment for participating in these activities that support positive future sustainable paid work. "Participation allowance" could be removed where cases warrant.

Increased access to the current incentive payments by skilled and trained employees practiced in providing relational services. Financial incentives are discretionary, linked to individualized return to work plans and deliberately remove barriers to progressing. These are different to active labour market policies and are currently used by the Intensive Client Support Managers (as seen in Porirua, Naenae and Rotorua during consultation or site visits)

Requires strong active labour market policies.

Additional resourcing to investigate cases

The threat of sanctions can act as a deterrent. Consider curbing people from throwing away their job without consequence.

<sup>1</sup> Supplementary assistance refers to Accommodation Supplement, Disability Allowance and Temporary Additional Support. Best Start Tax Credit and Family Tax Credit are not included. Disability Allowance and the Winter Energy Payment are not impacted.

<sup>2</sup> During a period of suspension or cancellation, a single person with dependent children is entitled to receive 50 percent of that benefit rate and the relevant income test applies, but at half the abatement rate in that income test.

<sup>3</sup> During the 13 week non-entitlement period, a client can be granted a provisional benefit from the date they start an approved six-week activity. The provisional benefit payment continues until the six-week activity ends, or the non-entitlement period ends (whichever is earlier).