



**MINISTRY OF SOCIAL  
DEVELOPMENT**

TE MANATŪ WHAKAHIATO ORA

8 APR 2021

Tēnā koe

On 4 February 2021, you emailed the Ministry of Social Development (the Ministry) requesting under the Official Information Act 1982 (the Act), 15 reports received by the then Minister for Social Development in 2020.

On 4 March 2021, your request was extended due to the large quantity of information the Ministry had to collate and review.

The following documents are enclosed in response to your request. In order to be helpful, links to additional information on the reports you have requested have also been provided.

- Document 1 - REP/20/7/805 – Report - *Removing the temporary changes to food grant limits as part of the COVID-19 response*, dated 15 July 2020
- Document 2 - REP/20/7/789 – Report - Final Cabinet paper - *Welfare Overhaul: Removing the Subsequent Child Policy*, dated 16 July 2020

For the Report REP/20/7/789, the additional Cabinet paper and impact summary can be found on the Ministry's website at the following link: [www.msd.govt.nz/about-msd-and-our-work/publications-resources/information-releases/cabinet-papers/2020/welfare-overhaul-removing-the-subsequent-child-policy.html](http://www.msd.govt.nz/about-msd-and-our-work/publications-resources/information-releases/cabinet-papers/2020/welfare-overhaul-removing-the-subsequent-child-policy.html).

More information can also be found in the Ministerial press releases here: [www.beehive.govt.nz/release/government-removes-another-punitive-child-policy-welfare-system-put-children-first](http://www.beehive.govt.nz/release/government-removes-another-punitive-child-policy-welfare-system-put-children-first).

- Document 3 - REP/20/7/755 – Report - *Social Security Appeal Authority case – recommended next steps to address issues raised*, dated 16 July 2020

This report is withheld in full under section 9(2)(f)(iv) of the Act as this is under active consideration. 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.

- Document 4 - REP/20/7/826 - Aide-mémoire - *COVID Recovery - Work Plan for Attracting International Screen Production into New Zealand*, dated 20 July 2020

The report states that at the time of writing, 41 Ministry clients had completed either a three-or-four-day workshop through the Skills for Industry programme

targeting the entry skills needed for employment in screen (specifically in art, costume or props and painting). Since the report was written, the Ministry can advise that 80 of the 92 participants in the programme have gained employment with many on their second or third short-term contract.

The focus on the programme has also been adjusted in response to sector employment opportunities. The key areas that have generated employment outcomes are wardrobe, transport/swing drivers, props makers and group lighting.

- Document 5 - REP/20/7/815 - Aide memoire - *Implementation of the MSD Auckland Action Plan*, dated 22 July 2020
- Document 6 - REP/20/7/846 – Report - *COVID-19 Income Relief Payment - operational update and process for people transferring to a main benefit*, dated 29 July 2020

Report REP/20/7/846 refers to decisions made in Cabinet minute CAB-20-MIN-20328, which is publicly available and can be accessed at the following link: [www.treasury.govt.nz/sites/default/files/2020-08/b20-cab-20-min-0328-4312090.pdf](http://www.treasury.govt.nz/sites/default/files/2020-08/b20-cab-20-min-0328-4312090.pdf).

- Document 7 - Cabinet paper - *Social Sector Commissioning - progress, principles and next steps with appendix*, dated 23 July 2020

This Cabinet paper is refused under section 18(d) of the Act, on the basis that it is already publicly available and can be accessed at the following link on the Ministry's website:

[www.msd.govt.nz/about-msd-and-our-work/publications-resources/information-releases/cabinet-papers/2020/future-of-social-sector-commissioning.html](http://www.msd.govt.nz/about-msd-and-our-work/publications-resources/information-releases/cabinet-papers/2020/future-of-social-sector-commissioning.html).

- Document 8 - REP/20/7/804 – Report - *Proposed approach for reviewing obligations and sanctions of the Social Security Act 2018 and relevant regulations*, dated 24 July 2020
- Document 9 - REP/20/7/844 – Report - *Options to remove the temporary operational changes made to food grant limits as part of COVID-19 response*, dated 27 July 2020

Report REP/20/7/844 refers to decisions made in Cabinet minute CAB-20-MIN-20328, which is publicly available and can be accessed at the following link: [www.treasury.govt.nz/sites/default/files/2020-08/b20-cab-20-min-0328-4312090.pdf](http://www.treasury.govt.nz/sites/default/files/2020-08/b20-cab-20-min-0328-4312090.pdf).

- Document 10 - REP/20/7/885 - Aide-mémoire - *Social Security (COVID-19 Recovery – Exemption from Stand Down, and Expiry and Regrant of Benefits) Amendment Regulations 2020*, dated 30 July 2020

The additional Cabinet paper (of the same name) can be found online at the following link: <http://covid19.govt.nz/assets/resources/proactive-release-2020-october/IS01-Minute-and-paper-Social-Security-COVID-19-Recovery-Exemption-from-Stand-Down-and-Expiry-and-Regrant-of-Benefits-Amendment-Regulations-2020-28-July-2020.pdf>.

- Document 11 - REP/20/7/854 – Report - *COVID-19 Income Relief Payment – Characteristics and uptake*, dated 30 July 2020
- Document 12 - REP/20/8/958 – Report - *COVID-19 New Zealanders Stranded Overseas Support Programme - seeking agreement to extend*, dated 1 September 2020

Please note for Report REP/20/8/958 the following publicly available information is to be read in conjunction, as it provides contextual information about the programme and its previous extension:

Cabinet paper – *Funding an extension to the COVID-19 New Zealander's Stranded Overseas Support Programme* can be found online at the following link: [www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/information-releases/cabinet-paper-extending-the-covid-19-new-zealanders-stranded-overseas-support-programme.pdf](http://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/information-releases/cabinet-paper-extending-the-covid-19-new-zealanders-stranded-overseas-support-programme.pdf).

Instrument - *COVID-19 New Zealanders Stranded Overseas Support Programme* can be found online at the following link: <https://gazette.govt.nz/notice/id/2020-go1713>.

Regulatory Impact Assessment: *Impact Summary: COVID-19 New Zealanders Stranded Overseas Support Programme extension* can be found online at the following link: [www.treasury.govt.nz/publications/risa/regulatory-impact-assessment-impact-summary-covid-19-new-zealanders-stranded-overseas-support-programme-extension](http://www.treasury.govt.nz/publications/risa/regulatory-impact-assessment-impact-summary-covid-19-new-zealanders-stranded-overseas-support-programme-extension).

- Document 13 - REP/20/9/966 - Report - *Restarting income support settings and processes that were temporarily changed in response to COVID-19*, dated 4 September 2020

Please note for Report REP/20/9/966 the following publicly available information is to be read in conjunction with this document:

Cabinet paper – *Impact of COVID-19 on the Ministry of Social Developments operating model*, dated 22 March 2020, which can be found online at the following link: <https://covid19.govt.nz/assets/resources/proactive-release/Impact-of-COVID-19-on-the-Ministry-of-Social-Developments-operating-model-Report.pdf>.

Cabinet paper - *COVID-19 Response and Recovery Fund (CRRF) July Package: Vote Social Development*, dated 6 July 2020, which can be found online at the following link: [www.treasury.govt.nz/sites/default/files/2020-08/b20-cab-20-min-0328-20-4311826.pdf](http://www.treasury.govt.nz/sites/default/files/2020-08/b20-cab-20-min-0328-20-4311826.pdf).

- Document 14 - REP/20/9/986 - Joint report - *Options for an enduring Wage Subsidy Scheme or Replacement*, dated 10 September 2020
- Document 15 - REP/20/9/1006 – Report - *Update on an MSD Employment Support Product*, dated 25 September 2020

You will note some information in these documents is withheld under section 9(2)(f)(iv) of the Act as it is currently under active consideration. 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.

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)(h) of the Act in order to maintain legal professional privilege. The greater public interest is in ensuring that government agencies can continue to obtain confidential legal advice.

A small amount of information has been withheld under section 6(a) of the Act where making that information available would be likely to prejudice the international relations of the Government of New Zealand.

Information is withheld under section 6(b)(i) of the Act to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest

Additionally information in these documents 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. The Ministry believes the greater public interest is in the ability of individuals to express opinions in the course of their duty.

You will note that Ministry mobile numbers for staff has been withheld under section 9(2)(g)(ii) of the Act to maintain the effective conduct of public affairs through the protections of such Ministers, members of organisations, officers, and employees from improper pressure or harassment.

You will note that some information has been removed as 'outside scope' as this was administrative in nature.

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

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

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter and any attached documents available to the wider public. The Ministry will do this by publishing this letter and attachments on the Ministry of Social Development's website. Your personal details will be deleted, and the Ministry will not publish any information that would identify you as the person who requested the information.

If you wish to discuss this response with us, please feel free to contact [OIA\\_Requests@msd.govt.nz](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 regarding this response on reports for COVID-19 that have been sent to the then Minister for Social Development is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or 0800 802 602.

Ngā mihi nui

A handwritten signature in blue ink that reads "Polly Vowles".

Polly Vowles  
**Policy Manager**  
**Welfare System and Income Support**



# Report

**Date:** 15 July 2020

**Security Level:** IN CONFIDENCE

**To:** Hon Carmel Sepuloni, Minister for Social Development

*This report contains legal advice which is legally privileged. It should not be disclosed on an information request without further legal advice.*

## Removing the temporary changes made to food grant limits as part of the COVID-19 response

### Purpose of the report

- 1 This report provides you with information on removing the temporary changes that were made to food grant limits in response to COVID-19.

### Recommended actions

It is recommended that you:

- 1 **note** the Ministry of Social Development (MSD) will be reverting to the original food grant limits on Monday 3 August 2020.

pp.  


Viv Rickard  
Deputy Chief Executive  
Service Delivery

15/07/2020

Date

Hon Carmel Sepuloni  
Minister for Social Development

Date

## **We operationally increased food grant limits due to the unprecedented demands presented by COVID-19**

- 2 As part of MSD's immediate response to COVID-19, temporary operational changes were made to increase each food grant limit category by \$400 in a 26-week period. This was done from 1 April 2020 (during Alert Level 4 lockdown) to:
  - ensure that those who had an immediate and essential need for food were able to access financial assistance without delay
  - divert some clients away from contact centres and the frontline to MyMSD for food grants, allowing MSD to manage the unprecedented demand for financial assistance as a result of COVID-19.
- 3 The change resulted in a channel shift, allowing clients to access an increased amount of financial assistance for food grants online through MyMSD and diverting some people away from contact centres during the lockdown period. Under usual settings, if people had reached their food grant limit, they would be directed to call MSD to establish whether there were exceptional circumstances that justified exceeding the limits. Diverting people away from contact centres meant that MSD had more capacity to process and grant assistance such as main benefits and wage subsidies as a priority.
- 4 This change has continued throughout Alert Level 4 and lower alert levels, due to the exceptional circumstances presented by COVID-19.

## **Now that New Zealand is in Alert Level 1, MSD needs to revert back to the original food grant limits**

- 5 The food grant limits as set out in the Special Needs Grants Welfare Programme (SNG Welfare Programme) did not change. Now that New Zealand is in Alert Level 1, we need to remove the temporary food grant limits and revert back to the original limits as per the SNG Welfare Programme as soon as possible. This is because:
  - s 9(2)(h) OIA
  - more people can exceed their original food grant limits the longer that this temporary change remains in place. This would increase the number of people who would be required to contact MSD when the limits are reverted and therefore increase pressure on MSD services.
- 6 Due to these factors, we recommend reverting to the original limits as soon as possible, with the first possible date being Monday 3 August 2020.

## **While people's entitlements will not change, it will mean that more people will need to contact MSD regarding food grants**

- 7 Reverting to the original food grant limits will not change people's entitlements, but it will mean that there is a shift in demand, from MyMSD back to contact centres and the frontline. While there are limits on the amount of food grants that people can seek in a 26-week period, MSD may exceed the limits if there are exceptional circumstances. If someone has reached their limit, they are directed to contact MSD to assess whether exceptional circumstances exist and if a further grant can be made.
- 8 There will be a group of people who will 'newly' be required to contact MSD should they require a further food grant. This group have previously not had to contact MSD as they are currently below the new temporarily increased food grant limits and were able to apply for food grants on MyMSD. However, these people will be at or over their original food grant limits when the temporary limits are removed and will be required to contact MSD to assess if there are exceptional circumstances to exceed their original limit.

- 9 As a result of removing the temporary change, we estimate that the number of people who are expected to apply for a grant in a given month, and who would need to speak to a staff member to do so, is around 46,000.<sup>1</sup>
- 10 Reverting back to the original food grant limits will have two main implications:
- A channel shift from MyMSD to contact centres or the frontline: an estimated 46,000 more people per month over the next few months, may need to speak to a staff member to establish exceptional circumstances and obtain food grants (should they require one). MSD is preparing to manage this potential increase in demand.
  - While people who require support will still remain eligible to receive their existing food grant entitlement, reverting to the original limits will have three main impacts on clients:
    - They may be required to call MSD rather than apply for food grants via MyMSD.
    - There may be an increase in time taken to access support from MSD due to increased demand.
    - It may take longer than expected for some clients to return to a positive food balance which may cause confusion and misunderstanding.

### **Making permanent changes to food grant limits or 're-setting' clients' limits would require funding, Cabinet decisions and changes to the SNG Welfare Programme**

- 11 Making the \$400 increase to food grant limits permanent would prevent some of the impacts described above. However, funding would need to be sought for this. Maintaining the \$400 increase to limits as a permanent change has an estimated cost of over \$500 million over 5 years.<sup>2</sup> As an alternative, increasing the limits by \$200 has an estimated cost of over \$250 million over 5 years. Cabinet decisions and s 9(2)(h) OIA would also be required to enable this. Increasing the limits by up to 3 times more on a permanent basis would require policy work to consider adequacy of benefits and hardship limits, and changes in food and other essential living costs.
- 12 We have considered other alternative options such as 'clean-slatinq' or re-setting clients' food grant limits. These options would require s 9(2)(h) OIA Cabinet approval, funding and an IT build. They are unlikely to be feasible within s 9(2)(h) OIA and the timeframes in which decisions need to be made. This is primarily because of the complexity involved with any form of 're-set', including a complex IT build and the potential for perverse incentives in the system, such as incentives to seek food grants in situations where people usually would not, with the knowledge that limits would be re-set.

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<sup>1</sup> Data shows that approximately 60,000 clients are in this situation and averaged 0.75 grants per month in their 6 months leading up to 29 May 2020. The 46,000 figure is likely to be a maximum, as it assumes that everyone who applies online and finds out they must call MSD does so. A proportion of these people may not. This number will also decrease over time due to benefit churn.

<sup>2</sup> A range of assumptions have been made to cost this. This initial costing assumes a strong behavioural response to the policy change and that the average rate for food grants settles at its fixed May 2020 level of \$107.13. It should be noted that we only have two full months of data with the \$400 operational change increase to draw on and understanding the full impacts would require at least six months of data. It is also difficult to disentangle the impact of the increase in limits from the general COVID-19 impact on food grants and hardship.

## **MSD is preparing a communications plan for removing this change**

- 13 This change requires a strong communications response from MSD and Service Delivery are working through this. The communications plan is currently being developed and is considering a phased approach to key stakeholders. We will work with your Office on finalising the communications plan.
- 14 The Beneficiary Advocates Group were made aware that MSD was working through next steps for the temporarily increased food grant limits at their regular meeting on 9 July 2020.
- 15 We are also considering how to position the Government investment of \$32 million over two years to provide support for foodbanks, food rescue and other community-based organisations who are distributing food, in the context of this change.

### **Next steps**

- 16 We will work with your Office as we finalise the communications plan.
- 17 s 9(2)(f)(iv) OIA

REP/20/07/805



# Report

**Date:** 16 July 2020

**Security Level:** IN CONFIDENCE

**To:** Hon Carmel Sepuloni, Minister for Social Development

## Final Cabinet paper – Welfare Overhaul: Removing the Subsequent Child Policy

### Purpose of the report

- 1 This report provides you with the final version of the Cabinet paper titled *Welfare Overhaul: Removing the Subsequent Child Policy* (the Cabinet paper) for lodgement.

### Recommended actions

It is recommended that you:

- 1 **note** we have incorporated feedback on the Cabinet paper received through cross-agency and Ministerial consultation
- 2 **note** that the final version of the Cabinet paper is attached
- 3 **agree** for your office to lodge this Cabinet paper ahead of Cabinet Social Wellbeing Committee (SWC) consideration on 22 July 2020

**Agree / Disagree**

- 4 **note** your office will also lodge the attached impact analysis documents for this proposal, alongside the Cabinet paper
- 5 **note** an aide memoire will be provided to support your presentation of the Cabinet paper to SWC.

9(2)(a) OIA

Policy Manager  
Welfare System Policy

Date

Hon Carmel Sepuloni  
Minister for Social Development

Date

## **The final Cabinet paper is attached for lodgement**

- 2 Earlier in July 2020 we provided you with a draft Cabinet paper to seek Cabinet agreement to the removal of the additional dependent child policy (also known as the Subsequent Child policy) [REP/20/6/746 refers]. Our advice proposed a timeline to lodge the final Cabinet paper on 23 July 2020, for SWC consideration on 29 July. This timeline was to include two weeks of simultaneous agency and Ministerial consultation.
- 3 Following this advice, your office indicated a preference for SWC to consider the Cabinet paper on 22 July. As such, the proposed timeline for the lodgement of the Cabinet paper was amended to reflect this request. A one week simultaneous cross-agency and Ministerial consultation process was undertaken.

### *Feedback on the paper has mostly been positive*

- 4 We have received feedback through the consultation process on this Cabinet paper, which is reflected in the attached final Cabinet paper and impact analysis documents. Most agencies consulted with were supportive of the proposal, and noted the potential benefits which removing the policy would have for different population groups, including Māori and disabled people.
- 5 Of those who provided feedback, the majority was limited to minor wording and clarification changes and proposed additional content (such as for the population implications section), which we consider has improved the quality and factual accuracy of the Cabinet paper.

### *Some questions have been raised through feedback, which have been addressed*

- 6 Some of the feedback received through the consultation process related to the tone surrounding the subsequent child policy not having achieved its intended purpose. We accept that a lack of evidence does not necessarily equate to a lack of impact. We have therefore amended the phrasing to reflect the fact that MSD has undertaken modelling on the cohort affected by the subsequent child policy, which found no evidence of an impact.
- 7 Questions were also raised as to whether the removal of the policy would potentially prevent or delay beneficiaries from accessing employment services. While the intent of this removal is to allow parents to spend more time with their children at a crucial developmental period, there is nothing to stop parents from proactively making use of employment services offered to beneficiaries before their work obligations require them to do so. We have amended the Cabinet paper to reflect this by highlighting the additional flexibility that the removal offers parents.

## **Next steps**

- 8 Subject to your agreement, your office will lodge the attached Cabinet paper ahead of SWC's consideration of the proposal on 22 July 2020. This lodgement will also include the attached impact analysis documents for the removal of the subsequent child policy, including the Regulatory Impact Summary template and the Quality Assurance of this template.
- 9 An aide memoire will be provided to support you in your presentation of the Cabinet paper to SWC. MSD officials will be in attendance at SWC on 22 July, and will be able to speak to the Cabinet paper in detail as needed.
- 10 Subject to Cabinet agreement to the proposal, we will provide you with further advice on the appropriate legislative vehicle to make the necessary legislative amendments to remove the subsequent child policy from the Social Security Act 2018.

File ref: REP/20/7/789

Author: § 9(2)(a) OIA Policy Analyst, Welfare System Policy

Responsible manager: § 9(2)(a) OIA Policy Manager, Welfare System Policy

# Aide-mémoire



MINISTRY OF SOCIAL  
DEVELOPMENT  
TE MANATŪ WHAKAHIATO ORA

Cabinet paper

**Date:** 20 July 2020

**Security Level:** Cabinet Sensitive

**For:** Hon Carmel Sepuloni, Minister for Social Development

**File Reference:** REP/20/7/826

## COVID RECOVERY – WORK PLAN FOR ATTRACTING INTERNATIONAL SCREEN PRODUCTION INTO NEW ZEALAND

<b>For</b>	Cabinet Social Wellbeing Committee (SWC)
<b>Date of meeting</b>	22 July 2020
<b>Minister</b>	Hon Carmel Sepuloni, Minister for Social Development
<b>Proposal</b>	<p>The Minister for Economic Development is proposing expansion of the screen sector (film and television) by investing in new studio facilities and securing an agreement with a large international studio to bring new screen work to New Zealand in return for the long-term lease of the new infrastructure.</p> <p>Critical to this work is the proposed screen sector skills development programme for New Zealanders.</p> <p>Talking points are provided at appendix one.</p>

### Pre-COVID-19

#### **The screen sector has created jobs for New Zealanders**

Prior to COVID-19, there was high demand for New Zealand's studio space and skilled screen workers. All production activity stopped at Alert Level 4. Restarting these productions alongside those that were scheduled to start, is expected to provide 3000 jobs for New Zealanders.

#### **Pre-COVID skills partnerships demonstrate MSD's ability to support the screen sector**

In late 2019 you formally launched MSD's strategic partnership with the Auckland, Tourism, Events and Economic Development Agency (ATEED) to promote a broad range of employment and training pathways for MSD clients and others disadvantaged in the labour market. The partnership recognised Auckland's growing screen industry that was expected to generate an

increased demand for jobs in security, catering, logistics and other ancillary industries like scaffolding, electrical, beauty and hairdressing, as well as crew-based jobs.

While the partnership initiatives were suspended indefinitely following COVID-19, it did produce 'Screen West', a skills development pilot programme that placed four MSD clients into screen sector jobs before the pilot was cancelled also due to COVID-19. The MSD/ATEED partnership remains in place and future collaboration is anticipated.

MSD is also set to announce its Skills for Industry programme for the screen sector. This is an Auckland based skills and employment pathway supported by industry. It targets MSD clients with entry-level skills and further demonstrates MSD's ability to be responsive to both the needs of MSD clients and the screen sector.

MSD initiated the pilot Skills for Industry programme in early July to enable up to 92 MSD clients to enter employment in the screen sector. To date 41 clients have completed either a three or four-day workshop targeting the entry skills needed for employment in one of the following screen departments: art, costume or props and painting.

Industry representatives currently recruiting for production roles have visited the workshops and have endorsed the programme. The programme provider is presently negotiating employment placements for participants.

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#### **Post-COVID-19 opportunities**

#### **We need to remain focused on screen sector opportunities for New Zealanders**

Attraction and retention of talent is an ongoing challenge for the screen sector. It relies on workers with very specific specialised expertise such as high-tech/special effects, as well as people with more transferable skills like building and security.

While the number of formal education courses and qualifications have been increasing, barriers to entry into the screen sector are low and there is still a degree of on-the-job work experience.

The New Zealand Screen Production Grant provides rebates to encourage international and domestic production activity. Points are awarded on criteria including the demonstration of outcomes in skills and/or talent development to grow New Zealand's capability in creative roles.

This helps ensure the local labour market receives a fair share of production related job opportunities and a more regional spread of productions will provide more New Zealanders with a chance to work in the sector.

#### **There are other MSD screen sector initiatives in development**

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MSD has received proposals relating to screen sector employment pathways that are presently in development:

- Maoriland is a Centre of Excellence for Māori Film and Creative Arts, based in Otaki. Māoriland Ahi Tech Creative Hub (M.A.T.C.H) is an indigenous programme that will create training and employment pathways enabling 40 rangatahi (18 to 24 years) to thrive in the creative arts. The programme will create pathways to high-value jobs in the creative sector. It is endorsed by industry employers including Weta Workshop. The programme is delivered over six weeks of workshop-based training including microcredentials, followed by employment placement support and ongoing kaitiaki/mentoring
- MSD is receiving other workforce development and training/employment pathways proposals through its Industry Partnership networks, including the existing MSD/ATEED screen sector partnership.

**MSD's employment initiatives can complement the Screen Skills Aotearoa Plan**

The New Zealand Film Commission (NZFC) is leading the plan. MSD's skills development focus is on entry level job opportunities and training and employment pathways for MSD clients and other groups disadvantaged in the labour market.

MSD's screen sector Skills for Industry programme and the MSD/Ministry of Culture and Heritage pilot<sup>1</sup> can complement the NZFC plan to provide a complete view of skills development projects. However, these projects are well progressed independently of the plan.

The development of sustainable jobs in terms of reliability of ongoing opportunities, is critical given the historic uncertainty of the tenure of jobs in this sector. It is anticipated that the proposed expansion of studio infrastructure will ensure more consistent work for New Zealanders.

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Author: s 9(2)(a) OIA, Senior Policy Analyst, Employment and Housing Policy

Responsible manager: s 9(2)(a) OIA, Policy Manager, Employment Policy

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<sup>1</sup> MSD and the Ministry of Culture and Heritage are working to implement a new pilot starting October-November 2020, delivering creative careers support service. This is to help creative jobseekers gain sustainable employment in the arts and culture sector. Consideration can be given to whether this initiative could pipeline jobseekers into the screen sector.

## **Talking points**

### **COVID Recovery – work plan attracting international screen production into New Zealand**

- MSD's productive relationships with employers and industry, and its significant pool of potential employees, provides a great opportunity for helping to meet the skill demands of the screen sector
- As New Zealand's leading employment agency, MSD can already demonstrate its ability to partner with key stakeholders, including those in the screen sector, to deliver on employment opportunities for MSD clients and those at-risk in the labour market
- As New Zealand moves into COVID-19 recovery, we need now more than ever, to look to our local talent and foster opportunities for them to learn, grow and be part of our international screen industry
- Any increases in screen production should consider the degree to which we can make screen jobs sustainable to give New Zealanders more security of tenure so they can future proof their career opportunities
- Any increases in screen production should also consider how we can spread opportunities outside of Auckland and Wellington to positively impact our people and communities in the regions

# Aide-mémoire



**MINISTRY OF SOCIAL  
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## Cabinet Committee

**Date:** 22 July 2020

**Security Level:** Cabinet Sensitive

**For:** Hon Carmel Sepuloni, Minister for Social Development

**File Reference:** REP/20/7/815

## Implementation of the MSD Auckland Action Plan

<b>Cabinet Committee</b>	Cabinet Māori Crown Relations: Te Arawhiti Committee (MCR)
<b>Meeting/visit details</b>	4pm – 5pm, Tuesday 28 July 2020 Cabinet Committee Meeting Room 8.5EW
<b>Expected attendees</b>	Official in support: <span style="background-color: #cccccc;">s 9(2)(a) OIA</span> DCE Advisor, DCE Office – Service Delivery
<b>Purpose of meeting</b>	To provide an update on the implementation of MSD Auckland's Action Plan that was developed following Te Puni Kōkiri's (TPK) monitoring review in October 2019.  An A3 has also been prepared to support this meeting.
<b>Background</b>	<p>In 2019, TPK completed an Effectiveness Review (the Review) of MSD's employment services and programmes in Auckland for Māori rangatahi (aged 15-24 years old).</p> <p>In response to the Review, the MSD Auckland Action Plan (the Plan) was developed and is currently being implemented in two phases.</p> <p>In May, the Minister for Māori Development presented an update to MCR on the Plan. You attended at Minister Mahuta's invitation and have been invited to provide a summarised update of the Plan at their next meeting supported by the accompanying A3.</p>
<b>Key Points</b>	<p><i>The Plan focuses on 4 agreed priority areas</i></p> <p>MSD is committed to ensuring the recommendations from the Review are reflected in employment initiatives and strategy moving forward. The Plan is on-track and focuses on actions under 4 key priority areas:</p>

- strengthen and expand partnerships with iwi, hapū and Māori partners
- continue to build staff capability to be effective for Māori and strengthen the learning practice in Auckland
- establish a feedback mechanism with Māori to refine targeted performance improvement for Māori
- strengthen guidance and communication to managers and frontline staff when introducing new services and products.

A key theme of the Plan is expansion of the co-location initiative that we have established with Te Puea Memorial Marae.

**Implementation of the Plan is underway**

*MSD is working with TPK to implement the Plan*

MSD is collaborating with TPK on 6 key actions which are in progress:

1. operationalise co-location initiative, share information, discuss iwi expectations and agree objectives with community partners
2. identify and discuss implementing feedback mechanisms
3. brokering opportunities for Community partners<sup>1</sup> to collaborate with other agencies
4. discuss and develop the Māori Leadership Talent programme.
5. Work with Community partners to identify and discuss implementing feedback mechanisms
6. communicate and socialise Review findings, the Plan and learnings from the Te Puea Marae co-location project to operationalise the initiative.

**Timeframes have shifted in response to COVID-19**

*Timing of the implementation phases have shifted slightly as a consequence of COVID-19*

The Plan takes a multi-phased approach to developing actions over two phases with regular review points. Further actions are to be developed over a two to three-year timeframe. Revised dates for phased implementation are as follows:

- Phase One: June – September 2020
- Phase Two: September 2020 – June 2021

A number of actions have also been taken to mitigate the impacts of COVID-19. These include the establishment of MSD staff relationship leads, the development of relationship agreements with co-location partners to enable information sharing, new relationships built with Māori partners during alert level 4 and the adoption of virtual 'contact windows' to provide a channel for easier access to MSD services.

<sup>1</sup> Community partners includes the Wānanga Pūrākau Collective partners and organisations involved in the co-location initiative. Reference to these as Community partners is to allow flexibility to include new partnerships as the initiative progresses.

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**Next steps**

We will continue to provide you with updates as the Plan is progressed.

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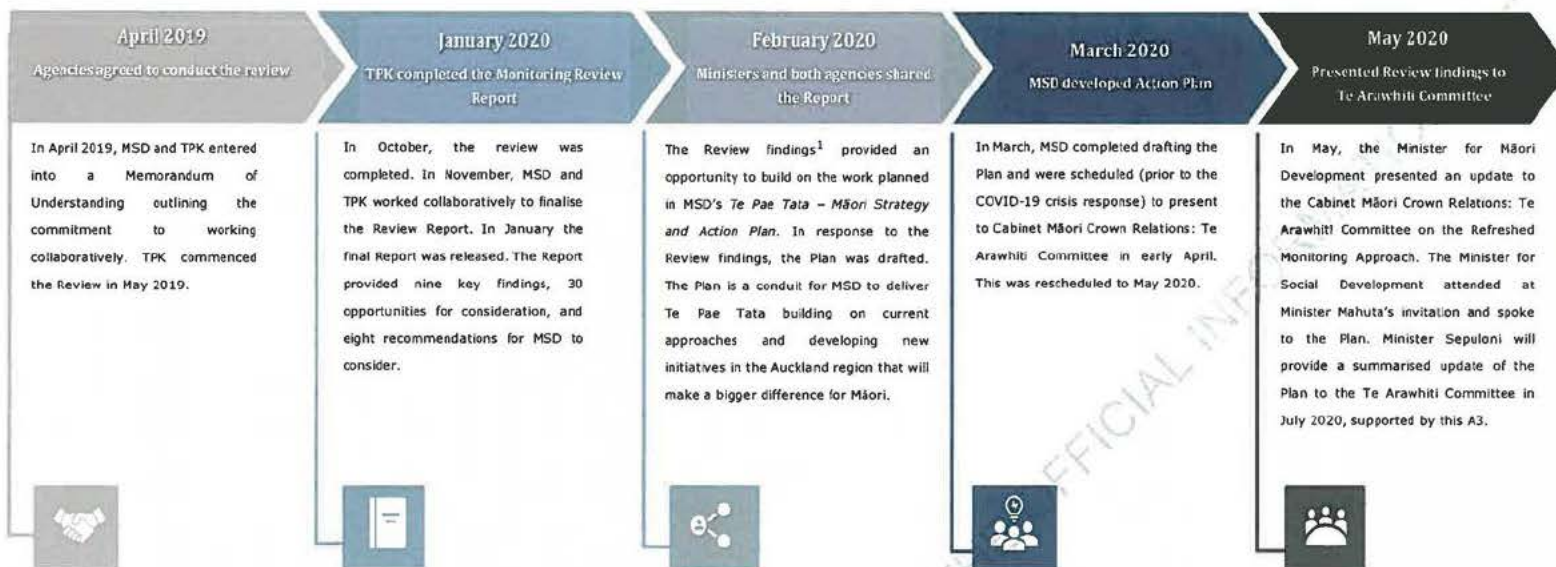
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# Ministry of Social Development Auckland Action Plan Update

## Background and Purpose

In 2019, Te Puni Kōkiri (TPK) completed an Effectiveness Review (the Review) of the Ministry of Social Development's (MSD) employment services and programmes in Auckland for Māori rangatahi (aged 15-24 years old). The Review findings<sup>1</sup> offered useful insights into how MSD can focus their mahi as a Treaty partner. In response to the Review, the *Ministry of Social Development Auckland Action Plan* (the Plan) was developed.

The purpose of the Plan is to continue supporting our mahi to achieve our overall intent of better outcomes for Māori, through whānau centred transformational change. The Review findings provides us an opportunity to understand how to strengthen Auckland's employment services and incorporate learnings across the organisation. The Plan will support us achieve our vision – that whānau are strong, safe and prosperous – active within their community, living with a clear sense of identity with cultural integrity and with control over their destiny – te mana kaha o te whānau!



## Implementation

The Plan takes a multi-phased approach to developing actions. It will be implemented in two phases with regular review points. Further actions are to be developed over a two to three-year timeframe. Actions will change and evolve as we engage with our iwi partners. We will continue to incorporate findings from the report as we progress.

Timing of the two phases have shifted slightly as a consequence of COVID-19:

**Phase One:** June – September 2020

**Phase Two:** September – June 2021

A key theme in our Plan approach is the expansion of the co-location initiative that we have established with Te Puea Memorial Marae to a further six locations across Auckland.<sup>3</sup>

The Plan was developed before COVID-19 changed the employment environment. The proposed actions (marked with an asterisk\*) are being considered for integration into the post-COVID-19 employment programme. MSD is committed to ensuring the recommendations from the Review are reflected in employment initiatives and strategy moving forward. TPK will conduct follow-up activities to reflect on progress towards agreed outcomes. TPK are supporting MSD to deliver the actions indicated with a star ★.

## COVID-19 Update

Unite against COVID-19



**Community partners<sup>2</sup>**

Established MSD staff relationship leads. Paused physical co-location due to Alert Level 4 (AL4).



**Sharing information**

Developing Relationship Agreements with co-location partners to enable info-sharing. Provided initial information requested in June 2020.



**Expanding iwi partnerships**

During AL4, used opportunity to form new relationships with Māori partners. Pivoted towards virtual 'contact windows' to provide a channel for easier access to services.

## PRIORITY AREAS AGREED

Determined both Agencies and these are linked to the Review recommendations and key findings.

Strengthen and expand partnerships with iwi, hapū and Māori partners.

**TPK recommendation 2**

Operationalise co-location initiative, share information and discuss iwi expectations and agreed objectives with Community partners<sup>2</sup>. ★

Identify and discuss establishing links between Community partners<sup>2</sup> with continued focus on employment services.

Broker opportunities for Community partners<sup>2</sup> to collaborate with other agencies.

Continue to build staff capability to be effective for Māori and strengthen the learning practice in Auckland.

**TPK recommendations 3 and 4**

Discuss and develop the Māori Leadership Talent programme.

Explore what supports Māori kaimahi may need and how to incorporate MSD learning tools for co-located staff. \*

Establish a feedback mechanism with Māori to refine targeted performance improvement for Māori.

**TPK recommendation 5**

Collaborate with TPK and Community partners<sup>2</sup> to share the Review findings. ★

Develop evaluation measures and gather insights from Community partners<sup>2</sup> on performance (to date) against the agreed objectives.

Work with Community partners<sup>2</sup> to identify and discuss implementing feedback mechanisms.

Strengthen guidance and communication to managers and frontline staff when introducing new services and products.

**TPK recommendation 8**

Communicate and socialise Review findings, the Plan and learnings from the Te Puea Marae co-location project to operationalise the initiative.

Review methods and develop a communications strategy to share cultural learnings from this initiative.

Investigate using digital platforms and socialise internally relevant data. \*

<sup>1</sup> The Review findings and opportunities for consideration are attached as an appendix.

<sup>2</sup> Community partners includes the Wānanga Pūrākau Collective partners and organisations involved in the co-location initiative. Reference to these as *Community partners* is to allow flexibility to include new partnerships as the initiative progresses.

<sup>3</sup> We have extended the co-location initiative to build our relationship with six Community partners: Manukau Urban Māori Authority, Manurewa Marae, Ngāti Whātua Ōrākei Whai Maia, Papakura Marae, Te Whānau o Waipareira and VisionWest.



# Report

**Date:** 29 July 2020

**Security Level:** IN CONFIDENCE

**To:** Hon Carmel Sepuloni, Minister for Social Development

## COVID-19 Income Relief Payment – operational update and process for people transferring to a main benefit

### Purpose of the report

- 1 The first part of this report informs you of the process being developed by the Ministry of Social Development (MSD) for clients transitioning to a main benefit after their COVID-19 Income Relief Payment (relief payment) ends.
- 2 The second part of this report advises you of some operational issues relating to the apportionment of the relief payment for some clients and MSD's approach to address these.

### Recommended actions

It is recommended that you:

*Part one: process for people transferring to a main benefit from the relief payment*

- 1 **note** that the COVID-19 Income Relief Payment (relief payment) is payable for up to 12 weeks and that for those who need financial assistance beyond this, they may need to apply for a main benefit
- 2 **note** that the Ministry of Social Development (MSD) is developing a process to make the transition from the relief payment to main benefit as easy and quick as possible for these clients
- 3 **note** that as part of the process MSD will proactively contact clients who apply for further financial assistance to discuss their work situation and talk to them about the employment supports that are available to them, even if they are not eligible for a main benefit

*Part two: operational issues relating to the apportionment of the relief payment*

- 4 **note** that there have been some instances where the relief payment has not been apportioned between couples and MSD is working to resolve these errors now.

  
\_\_\_\_\_  
Viv Rickard  
Deputy Chief Executive Service Delivery

28/07/2020  
\_\_\_\_\_  
Date

\_\_\_\_\_  
Hon Carmel Sepuloni  
Minister for Social Development

\_\_\_\_\_  
Date

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## **Part one: process for people transferring to a main benefit from the relief payment**

*The COVID-19 Income Relief Payment provides up to 12 weeks of financial support for people*

- 3 The relief payment is a temporary payment to support people who have lost their job or business due to the impacts of COVID-19. The 12-week period of the payment was designed to help cushion the blow and minimise disruption for people as they look for other work or retrain.
- 4 Applications for the relief payment opened on 8 June 2020, with retrospective eligibility meaning that people who had lost their employment (due to the impacts of COVID-19) from 1 March 2020 (until the end of October 2020) could apply for the relief payment.
- 5 For people who applied for and received the relief payment from 8 June 2020, their 12 weeks of payment will end on 31 August 2020.

*People who need financial support after 12 weeks may transition onto a main benefit*

- 6 People whose relief payment ends (from 31 August onwards) but require further financial support may need to transition to a main benefit, subject to meeting the eligibility criteria.

*MSD is developing a process to make the transition onto a main benefit as easy and quick as possible for clients*

- 7 A process is being developed by MSD to ensure that, for those who need to transition to a main benefit after their relief payment ends, the application process is as simple and as quick as possible to avoid clients having to provide information to MSD they already have or delays/gaps in financial assistance where possible.
- 8 On 6 July 2020, Cabinet agreed to extend the temporary removal of initial income stand-downs for another eight months, from 23 November 2020 to 24 July 2021 [CAB-20-MIN-0328.20 refers]. This means that no clients will face a one- to two-week stand-down as they transition from the relief payment to a main benefit.

Clients will be contacted about next steps three weeks before their payments are due to end

- 9 After nine weeks of receiving the relief payment, MSD will contact clients to inform them that their relief payment is coming to an end and to advise them of how they can apply for further financial assistance if they still require it. This will also include a link to MSD's website, which will have further information and a link to MSD's work website.

The process for applying for further financial assistance will differ depending on the client's circumstances

- 10 As clients currently receiving the relief payment will have provided varying levels of information to MSD before being granted their payment, the process for applying for further financial assistance will differ depending on how much further information MSD needs.
- 11 For some clients where MSD already has the information required to determine potential eligibility for a main benefit, there will be a simplified online application process.
- 12 MSD is still working through the business process for other clients, as there are a number of scenarios which need to be planned for. For example, some clients may be

asked to contact MSD about what is required, and some clients may need to complete a new application<sup>1</sup>.

- 13 If clients do not contact MSD until after the relief payment has stopped, they will need to complete a new application for financial assistance.

Once an application for assistance has been submitted, MSD will proactively contact clients to discuss their eligibility and employment support

- 14 Once clients receiving the relief payment have made an application for further financial assistance, MSD will proactively contact them to discuss their eligibility to ongoing assistance.
- 15 As part of this conversation, case managers will also discuss the client's work situation, if appropriate based on their current circumstances, and the employment supports available to them. This could be referring them to MSD's online recruitment tool, the new all of government employment website [connected.govt.nz](https://connected.govt.nz)<sup>2</sup>, or referring them to a Work Broker who can work with them to help connect them to suitable employment opportunities.
- 16 After clients have been contacted, their application will be processed. This process means that MSD (subject to clients making contact before their relief payment is set to expire) will have up to one week to process the transfer from the relief payment to benefit before a client's relief payment ends and main benefit is due. This aims to ensure as many clients as possible do not have a gap in their financial assistance<sup>3</sup>.

*For those who do not transition to a main benefit, employment support may still be available*

- 17 As the eligibility criteria for the relief payment is different to that for main benefits, there may be some people receiving the relief payment who will not be eligible for a main benefit at the end of their payment. An example of this could be a couple where one person is working full-time (as the income cut-out points are higher for the relief payment than main benefit).
- 18 There are employment supports available to recipients of the relief payment such as the Rapid Return to Work Service<sup>4</sup>. For those who finish their relief payment and are not eligible for a main benefit, they can still contact MSD to discuss the employment supports which may be available to them.
- 19 While some employment supports are limited to those at risk of long-term benefit dependence, there are a number of supports that may be available to those who

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<sup>1</sup> For example, if they were receiving supplementary assistance and not a main benefit prior to the relief payment (these clients will have completed an 'opt in' form to apply for the income relief payment) and therefore MSD does not hold enough information to determine if they are eligible for a main benefit.

<sup>2</sup> [connected.govt.nz](https://connected.govt.nz) is currently scheduled to go-live on 10 August 2020.

<sup>3</sup> While gaps in assistance will be avoided where possible, it should be noted that many clients will face a drop in income when transferring from the relief payment to benefit. This is due to the differing levels of assistance.

<sup>4</sup> The Rapid Return to Work Service is available to recipients of the relief payment who have chosen to receive the service. The service is a phone and email-based service which aims at supporting clients for up to six-weeks, using a tailored support plan and working with the same Employment Service Representative during their time in service.

meet the eligibility criteria, such as Transition to Work<sup>5</sup>, career guidance services and Course Participation Assistance<sup>6</sup>.

## **Part two: operational issues relating to the apportionment of the relief payment**

*Despite being largely individualised, the relief payment needed to be apportioned (split) between couples to align with MSD's systems...*

- 20 Due to MSD's system and the fact that the relief payment is provided for within the wider welfare system which is often based on entitlement and payment as a couple, the relief payment needed to be apportioned (split) for couples<sup>7</sup>. This is consistent with how most main benefits and supplementary assistance are paid.
- 21 This apportionment is outlined in clause 11 of the COVID-19 Income Support Payment Programme, which states that the relief payment must be apportioned between clients except where administratively necessary. This is to allow for payments to be made to one partner in specific situations, such as where one partner is not resident in New Zealand. The need to apportion the relief payment has been advised to clients via MSD websites and to staff through training material, operational guidelines and processes.

*... however, in some cases the relief payment has not been apportioned*

- 22 MSD has identified a number of staff processing errors where the relief payment was granted without being apportioned. There were a number of factors that contributed to these errors, such as partners not being correctly connected in SWIFTT.
- 23 MSD has analysed the cases where the relief payment has not been apportioned and has found that:
  - 904 clients have been granted the relief payment where it has not been apportioned. While these couples have received the correct amount of payment this should have been split between the clients, so each individual may not have received the correct amount. Initial analysis suggests that because some of these couples share a bank account, they will not experience any material change when MSD corrects this error.
  - 164 clients whose relief payment has not been apportioned are also receiving the Accommodation Supplement (AS) and Temporary Additional Support (TAS). For these clients, their rates of AS and TAS are likely to be incorrect as they would be assessed as single in MSD's system. Initial analysis shows most clients have been overpaid, and some have been underpaid due to the differing AS thresholds based on family composition, which has been recorded incorrectly.
  - Five clients have been granted the relief payment and have a partner who is receiving a main benefit. These clients have been overpaid as they are not eligible for the relief payment if they or their partner are receiving a main benefit. These clients will need to choose whether they want to receive a main benefit or the relief payment, which will mean a drop in their income.

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<sup>5</sup> Transition to Work is a non-recoverable payment that can be made to help meet additional costs essential for transitioning to employment for those who meet the income and asset tests.

<sup>6</sup> Course Participation Assistance can provide non-recoverable assistance towards the costs of participating in short-term employment related training courses. The assistance is generally targeted to clients on main benefit but can be granted to others provided they meet income and cash asset criteria.

<sup>7</sup> With the exception of clients receiving New Zealand Superannuation, Veteran's Pension, or a Student Allowance.

*MSD is working with these clients to ensure they are receiving their correct entitlements*

- 24 These clients are being proactively contacted by specialised MSD staff to discuss their circumstances and ensure they are receiving their full and correct entitlement. As there will be an overpayment established for some of these clients, MSD staff will consider the criteria to determine if debts established should be written off.

*Further work has been done to ensure future payments are apportioned correctly*

- 25 Additional communications material was issued to staff on 1 and 3 July 2020 to reiterate that payments must be apportioned where possible. Operational guidelines have also been reviewed and strengthened to make it clear that apportioning the relief payment for couples is a legal requirement. Since these changes, MSD has seen a significant reduction in the number of relief payments granted without being apportioned between partners.

### **Next steps**

- 26 MSD is continuing to refine the business process for clients transferring from the relief payment to a main benefit in varying circumstances to ensure the process is as quick and easy as possible for clients.
- 27 MSD will continue to contact clients whose relief payment has not been apportioned correctly to ensure they are receiving their correct entitlements.
- 28 We understand there has been interest about the characteristics of recipients of the relief payment from the Minister of Finance and that there is wider interest in how demand for the relief payment has tracked relative to forecast. MSD will provide a report on this to you and the Minister of Finance separately.

REP/20/7/846



# Report

**Date:** 24 July 2020

**Security Level:** IN CONFIDENCE

**To:** Hon Carmel Sepuloni, Minister for Social Development

## **Proposed approach for reviewing obligations and sanctions of the Social Security Act 2018 and relevant regulations**

### **Purpose of the report**

- 1 This report proposes an approach for reviewing obligations and sanctions as part of the welfare overhaul work programme, with an initial focus on the Comprehensive Work Assessment (CWA) and social obligations, including drug testing and warrant to arrest obligations and sanctions.

### **Executive summary**

- 2 The Ministry of Social Development (MSD) temporarily changed the settings of our welfare system in response to increased demand from the COVID-19 pandemic [CAB-20-MIN-0086 and REP/20/3/286 refer]. Some of these settings were extended for a further six months [CAB-20-MIN-0328 refers]. This has provided MSD with an opportunity to modernise and simplify the settings of the welfare system to address both the objectives of the welfare overhaul work programme and manage the increased demand for MSD's services due to COVID-19.
- 3 In the Cabinet paper *Welfare Overhaul: Update on Progress and Long-Term Plan*, you signalled your intention to review obligations and sanctions, with an initial focus on those that impact on children [SWC-19-MIN-0168 refers]. Progress has been made with recent Cabinet agreement to remove the subsequent child policy and removal of the sanction for not naming the other parent.
- 4 A review of obligations and sanctions would lead to changes in areas where clients' experiences with MSD can be improved. The review could both reduce operational pressure and shift our system towards a mutual expectations framework in line with the Government's vision for the welfare system.
- 5 Due to the complex nature of some obligations and sanctions, Cabinet agreed that a comprehensive review will take place as a part of the medium-term welfare overhaul work programme [CAB-19-MIN-0578 refers]. A review of work-focused obligations and sanctions will be undertaken alongside further work on benefit eligibility and the expansion of MSD's employment services.
- 6 We propose that the review of obligations and sanctions of the Social Security Act 2018 (the Act) and relevant regulations is phased.
- 7 The administration of some obligation and sanctions under the current settings may divert front-line efforts away from effective employment-focused case management. Based on the anticipated impact of COVID-19 on demand for MSD support and other

work currently underway, we propose that the initial phase of the review will focus on areas where changes may improve client experience and simplify the system in the short-term.

- 8 We propose that our initial focus is to review the Comprehensive Work Assessment (CWA) and social obligations, including drug testing and warrant to arrest obligations and sanctions.
- 9 Our phased approach for the review of these obligations and sanctions will align with the overall engagement plan for the kaupapa Māori values and purpose and principles workstreams. These workstreams are part of the overall work programme to reset the foundations of the welfare system.

## Recommended actions

It is recommended that you:

- 1 **agree** to a phased approach to review some obligations and sanctions in the Social Security Act 2018 and relevant regulations  
**agree / disagree**
- 2 **agree** that the phased approach will have an initial focus on the:
  - 2.1 Comprehensive Work Assessment
  - 2.2 social obligations
  - 2.3 drug testing obligation and sanction
  - 2.4 warrant to arrest obligation and sanction**agree / disagree**
- 3 **note** that the phased approach will align with the overall engagement plan for the kaupapa Māori values and purpose and principles of the Social Security Act 2018 welfare overhaul workstreams
- 4 **note** that the workstreams in recommendation 2 are part of the work programme to reset the foundations of the welfare system
- 5 **note** that officials will provide you with further advice in early 2021 following engagement with key stakeholders.

s 9(2)(a) OIA

Policy Manager  
Welfare System and Income Support

Date

Hon Carmel Sepuloni  
Minister for Social Development

Date