



31 MAY 2021

Tēnā koe

On 3 May 2021, the Ministry of Social Development (the Ministry) received a transfer of your request, under the Official Information Act (the Act), from the Department of Corrections, for the following information:

- *When the last increase was made to the Steps to Freedom Grant. Please give me all the information about this. Also I would like to know why the Steps to Freedom Grant has not been increases to meeting the increase of the rise of living costs as \$350 does not cover the living costs or rent for 2 weeks, that it was meant to cover.*

9(2)(a)

Steps to Freedom is a non-recoverable re-establishment grant that is part of the Special Needs Grant welfare programme. Like the other re-establishment grants, entitlement is based on an applicant's identified needs to re-establish themselves in a community.

A form of the Steps to Freedom grant has existed since 1983. The maximum amount payable is \$350. When the grant was originally introduced it was available at a maximum of twice the single youth rate of the unemployment benefit at that time. However, as the grant is not indexed to inflation or to average wage growth as main benefits are, the grant has remained at \$350 since 1991.

The Government has released the Welfare Expert Advisory Group (WEAG) recommendations for the future shape of our welfare system. The final report made a particular recommendation in relation to the Steps to Freedom grant. Recommendation 18 states:

- "Enhance and improve the support for people exiting prisons, including increasing the Steps to Freedom grant, and ensuring that any person who leaves prison has appropriate identification and is engaged with specialised care and supportive housing initiatives. Move practices around prisoner integration out of the 'pilot' stage and draw on evaluation data to embed integrated support for these individuals."

The Ministry is now developing a 3-to-5-year plan in order to work towards a welfare overhaul that delivers a welfare system that is effective, enduring and ensures those who need access to Ministry of Social Development support are better off.

Recommendation 18 and the Steps to Freedom grant will be considered as part of the welfare overhaul work programme.

The Ministry has located one document in scope of your request, which is attached to this response.

Please note, some information, including the title of the report, is withheld under section 9(2)(f)(iv) of the Act as it 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.

You will note that the names of Ministry staff 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.

Furthermore, some information contained in the report does not relate to the Steps to Freedom grant and has therefore been determined out of scope of your request. This information has been marked as such.

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 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.

If you are not satisfied with this response, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Ngā mihi nui



Bede Hogan
Policy Manager
Welfare and Income Support



**MINISTRY OF SOCIAL
DEVELOPMENT**
TE MANATŪ WHAKAHIAO ORA

Report

Date: 7 November 2019

Security Level:

s9(2)(f)(iv)

To: Hon Carmel Sepuloni, Minister for Social Development

s9(2)(f)(iv)

Purpose of the report

s9(2)(f)(iv)

Executive summary

Out of scope

s9(2)(f)(iv)

Recommended actions

It is recommended that you:

- 1 **note** there are currently five categories of re-establishment grants (provided for under the Special Needs Grants Welfare Programme) that MSD provides to people re-establishing themselves in their communities in specific situations:

- 1.1 released prisoners, if they have been in prison or remand custody for more than 31 days

Out of scope

Out of scope

- 3 **note** that the majority of the grants have not been increased for over a decade and average accommodation costs have increased significantly since then
- 4 **note** that the report of the Welfare Expert Advisory Group, *Whakamana Tāngata* found that Steps to Freedom was not enough to cover essential costs for people being released from prison or remand

Out of scope

s9(2)(1)(iv)

s9(2)(f)(iv)

- 9 **note** that the Steps to Freedom grant may also be paid in respect of immediate family members, but this provision lacks clarity and is not widely known about

s9(2)(b)(ii)

s9(2)(f)(iv)

s9(2)(a)

Polly Vowles
Acting Policy Manager
Ministry of Social Development

07/11/19
Date

Hon Carmel Sepuloni
Minister for Social Development

11/11/19
Date

s9(2)(f)(iv)

Re-establishment grants are currently provided to people in a number of situations where they are re-establishing themselves in the community

- 10 Re-establishment grants are a category of Special Needs Grants for people who are re-establishing themselves in the community. They are available to people who are:

Out of scope

- people released from prison or remand custody (if they have served a sentence of 31 days or more)

Out of scope

Out of scope

- 13 The table below shows the current grant limits and the number of unique clients for each of the re-establishment grant types over the 2018/2019 fiscal year. Orange represents recoverable assistance and green represents non-recoverable assistance available as part of the grant. Of people who received a re-establishment grant in the 2018/2019 fiscal year, approximately 90 percent received the Steps to Freedom grant.

Table 1: Current re-establishment maximum grant limits and unique number of clients

Re-establishment grant category	Maximum grant – accommodation	Maximum grant – other	Maximum total grant	Unique number of clients in the fiscal year 2018/2019
Steps to Freedom	-	-	\$350	9,401
Out of scope				
Total				Out of scope

Out of scope

s9(2)(f)(iv)

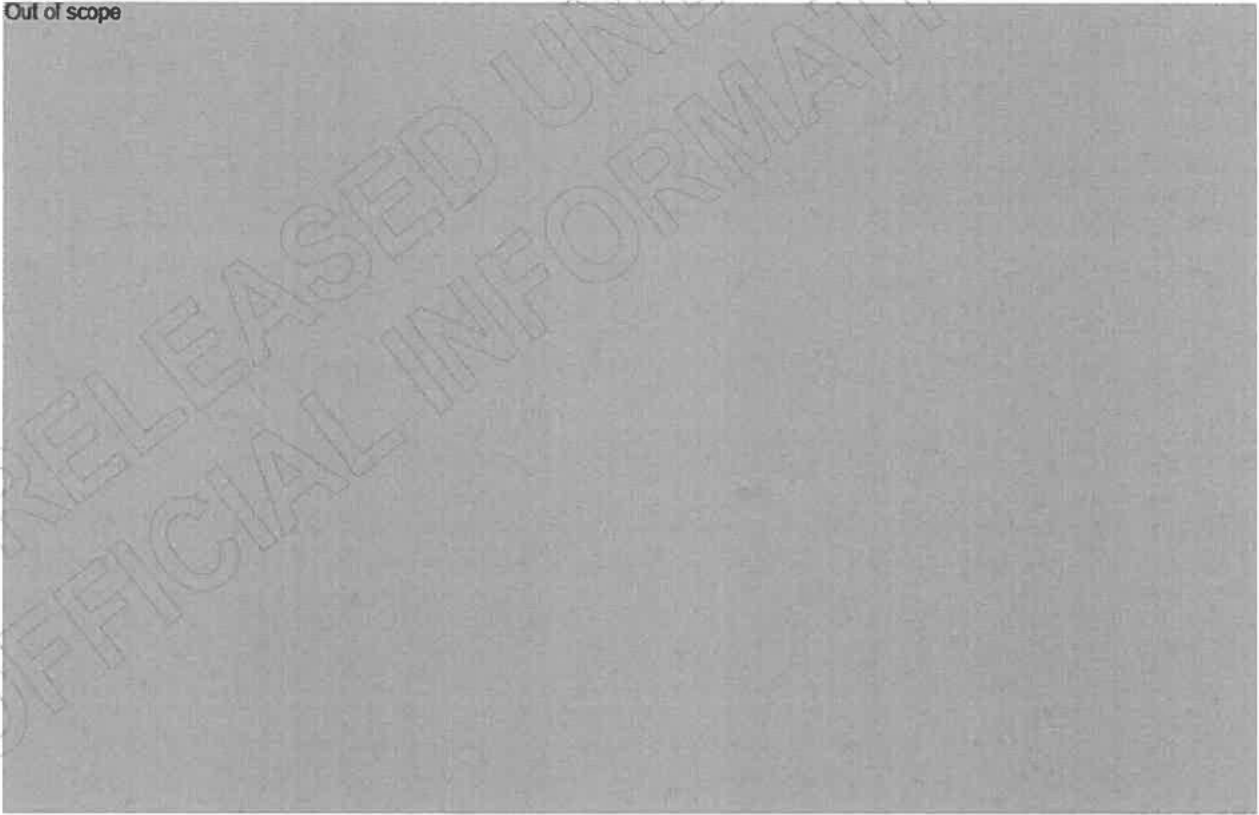
The current maximum grant levels of re-establishment grant categories are likely to be inadequate

Out of scope



- 17 The Welfare Expert Advisory Group highlighted the inadequacy of the re-establishment grant payments, particularly in relation to the Steps to Freedom grant (recommendation 18 in *Whakamana Tāngata*). The rationale was that the grant was not meeting its objective of providing adequate financial support for being released from prison and that arrest and remand, even for short periods, can have large impacts on individuals and their whānau. Upon release, this can increase indebtedness because individuals are having to meet costs to re-establish themselves.

Out of scope



Out of scope



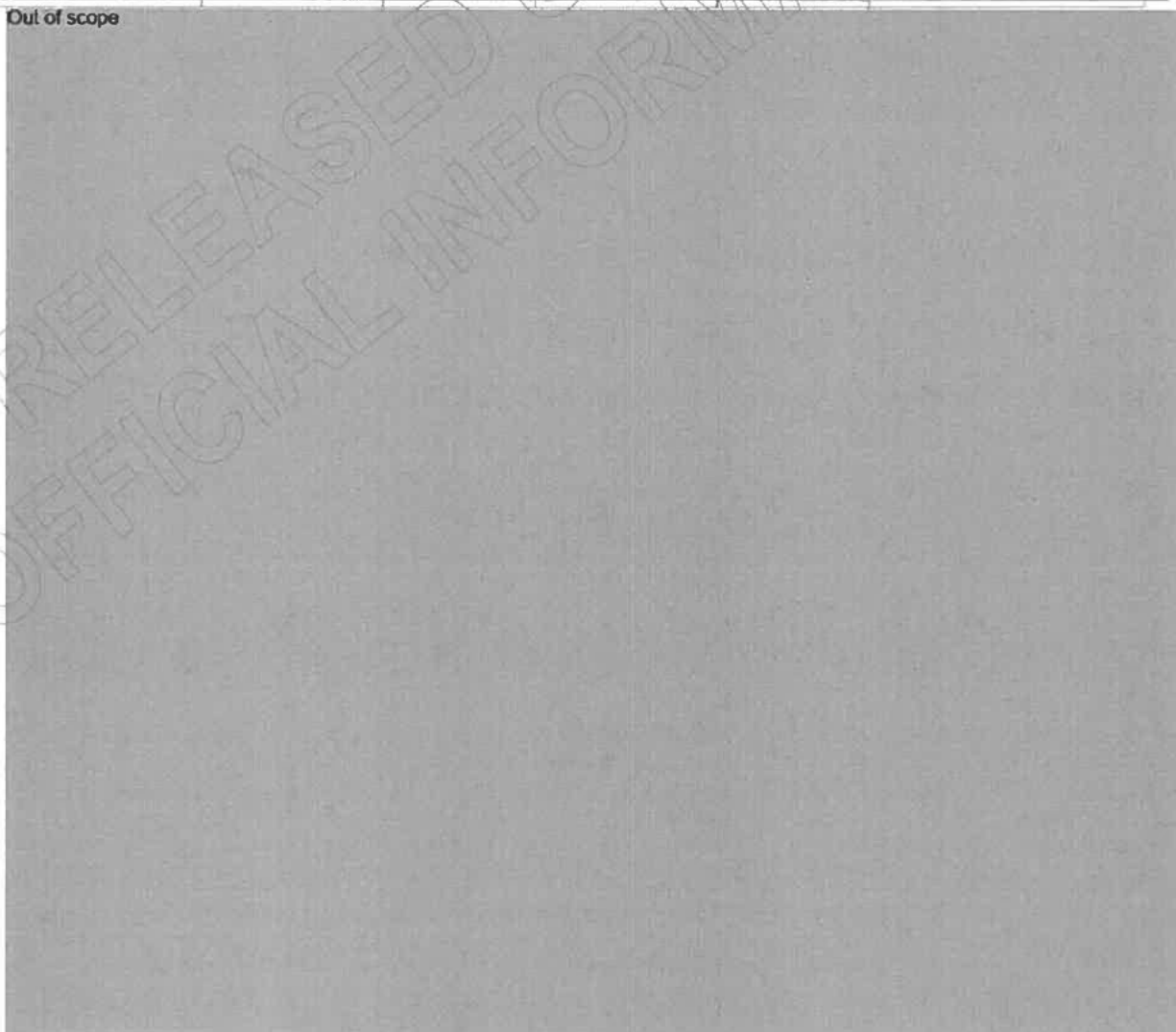
Table 2: Average amount per recipient and proportion of maximum taken up

Re-establishment grant category	Average amount per recipient	Proportion of maximum grant taken up	Proportion with at least one hardship grant within two months
Steps to Freedom	\$331	95%	55%

Out of scope



Out of scope



Out of scope

Table 3: Settings regarding number of grants and capped grant amount

Re-establishment grant category	More than one grant	Maximum total grant and caps
Steps to Freedom	MSD may make grants totalling not more than \$350. However, the grant can be received more than once if a person meets the criteria (eg over 31 days in prison or remand custody) and is released from prison more than once. There is also a provision that may allow grants to be made in relation to immediate family members.	\$350

Out of scope

s9(2)(f)(iv)

Out of scope

s9(2)(f)(iv)

Out of scope

s9(2)(f)(iv)

Out of scope

s9(2)(f)(iv)

⁴ Based on ethnicity statistics for each grant category from the 2018/2019 fiscal year.

Out of scope

s9(2)(f)(iv)

41 However, the Steps to Freedom grant has significant differences to the other grant categories:


- the grant maximum of \$350 is much lower when compared to the other categories
- the grant is entirely non-recoverable

- the grant can be made more than once a year if a person meets the criteria (ie, over 31 days in prison or remand custody) and is released from prison more than once
 - there is a provision that may allow Steps to Freedom to be granted for members of the applicant's immediate family.
- 42 Analysis of the use of the Steps to Freedom grant in practice has highlighted that Steps to Freedom:
- has the largest number of applicants when compared to other groups, making up over 90 percent of the people receiving any re-establishment grant (almost 9,400 unique clients per year)
 - is well known amongst prisoners and Corrections and MSD staff
 - is received more than once a year by some clients, with approximately 1,000 people receiving two or more grants in the 2018/2019 financial year
 - the majority of recipients are re-establishing themselves and do not have dependents (of the 119,900 Steps to Freedom payments made between 2005 and 2019, 76 percent went on to be granted a benefit, of which 94 percent were granted a single rate of benefit)
 - it is paid directly to the client, whereas other grant categories are subject to a detailed needs assessment and generally paid directly to a provider or through a payment card (due to a variety of reasons, discussed in more detail below).


s9(2)(f)(iv)



s9(2)(f)(iv)



s9(2)(f)(iv)



b9(2)(i)(iv)

RELEASED UNDER THE
OFFICIAL INFORMATION ACT

b9(2)(i)(iv)

b9(2)(i)(iv)

b9(2)(f)(iv)

Out of scope

Out of scope

b9(2)(f)(iv)

b9(2)(f)(iv)

Out of scope

Out of scope

s9(2)(a)

Out of scope

s9(2)(i)(iv)

Out of scope

Out of scope

s9(2)(i)(iv)

Authors: s9(2)(a) Policy Analyst, Income Support Policy

s9(2)(a) Senior Policy Analyst, Income Support Policy

Responsible Manager: Polly Vowles, Acting Policy Manager, Income Support Policy

Reference: REP/19/11/1117

s9(2)(i)(iv)

Appendix One: Introduction and increase history of the re-establishment grants

Re-establishment grant category	Year introduced	Grant increase history
Steps to Freedom	1983	The first Steps to Freedom Grant was introduced in 1983, with the maximum grant of \$116.92. In 1990 it was increased to \$369.14 and restructured again in 1991 and set at \$350 (where it has remained).

Out of scope