

## Purpose

This report provides an overall summary and key findings from the Ministry of Social Development's (MSD) Full and Correct Entitlement (FACE) pilot.

## Background

In February 2019 the Welfare Expert Advisory Group provided recommendations to the Government on options for the future direction of the social welfare system. Recommendation 5 proposed that MSD should report annually on key outcomes for those interacting with the welfare system, including information about FACE.

The FACE pilot was designed to respond to this recommendation and test a new approach to measuring the percentage of clients receiving FACE.

FACE occurs where a person is paid the correct amount for all the welfare payments for which they are eligible. A client's eligibility for welfare payments is based on their current circumstances that have been declared to MSD.

MSD already measures the accuracy of processing of entitlement assessments as part of its statement of intent. This measure is retrospective and is limited to matters after the application has been received – to review whether the right person received the correct benefit, at the correct rate, from the correct date. It does not look at what else a client could have been entitled to or applied for and any other additional information that could have been provided by the client.

In July 2022, MSD commenced a 12-month pilot to assess clients' FACE – reviewing the payments they were already receiving, as well as any other payments they might be entitled to.

The pilot findings would provide information on potential underlying reasons why people were not receiving FACE and establish a baseline measure of clients' FACE outcomes. The FACE pilot invited a random sample of working-age beneficiary and non-beneficiary clients to voluntarily complete a FACE assessment. For clients that weren't receiving FACE, expert Case Managers recorded the circumstances around "why" which will help inform the design of MSD's future services.

The FACE pilot was carried out between 18 July 2022 and 30 June 2023, covering 1,432 clients (out of 10,584 clients who received an invitation to participate in the pilot).

Clients invited to take part were informed of the potential financial impact of participating in the FACE pilot. Their payments could either increase or decrease if the assessment determined they were not receiving FACE. Clients were also advised that if their assessment found that they were being overpaid, they may incur debt for the amount that they had been overpaid. If they had been underpaid, they would receive a back payment. This is standard operational practice for FACE checks.

Due to limited uptake, the FACE pilot sample was relatively small, which means that there is some imprecision in the estimates presented in this report, and is not necessarily representative of the wider population of welfare payment recipients.

The FACE pilot sample data and findings also has some limitations due to the voluntary nature of clients choosing to participate in the FACE assessment and pilot, and findings may be skewed and not necessarily representative of the wider population of welfare payment recipients.

Clients invited to take part were informed of the potential financial impact of participating in the FACE pilot. This was that their payments could either increase or decrease if the assessment determined they were not receiving FACE and their payments would be updated accordingly.

Factors such as the potential financial consequences of the assessment, an expectation that their payments could increase after the assessment, the amount of time since clients had previously engaged with MSD, and the extent of clients' need for financial support all may have influenced who agreed to have an assessment and skewed the results to not reflect the wider population.

## Key findings

### Approximately 59 percent of clients in the pilot were found to be receiving FACE.

Approximately 21 percent of clients were assessed as being paid less than they were entitled to and received an increase to their weekly payments.

8 percent of clients were being paid more than they were entitled to and received a decrease to their weekly payments following their FACE assessment.

11 percent of clients were assessed as not receiving FACE based on their initial in-depth conversation with a case manager. However, their payments did not change because they did not respond to follow up requests for further information, chose not to apply, or only had changes made to past payments (creating either debts or arrears for a past period).

Amongst main benefit recipients in the pilot, clients receiving Sole Parent Support and Jobseeker Support – Work Ready were the most likely to be receiving FACE.<sup>1</sup>

Clients that had more regular contact with MSD were more likely to be receiving FACE than those who had infrequent contact.

<sup>1</sup> Working for Families and other childcare related entitlements were excluded from determining if a client was receiving FACE.

Non-beneficiary clients were more likely to not be receiving FACE compared to main benefit recipients<sup>2</sup>. Approximately 54 percent of non-beneficiary clients were not receiving FACE, whereas on average, 37 percent of main benefit recipients were not receiving FACE. Through case note analysis MSD found this was due to a variety of reasons including:

- > clients having a change in their circumstances and not informing MSD of this change
- > the application process for supplementary payments that may make it difficult for clients to prove and maintain eligibility, e.g. Disability Allowance
- > clients lacking knowledge about costs that may be covered by a supplementary payment
- > less frequent interactions with MSD.

Clients' lives are often complex and dynamic and navigating this as well as our systems, products and processes can pose challenges in keeping MSD informed of all relevant changes in their circumstances.

<sup>2</sup> A non-beneficiary client is a person that does not receive a main benefit but receives other supplementary assistance.

### The most common reason why clients were not receiving FACE was their changing circumstances.

Overall, 61 percent of clients that were not receiving FACE had a change in circumstances which affected their entitlement.

Clients' lives can be complex and dynamic and they often experienced changes in employment, housing costs, family relationships, and their health. Analysis from the case manager notes show that the need to update MSD with this information was an important driver of many clients not receiving FACE.

In most cases clients were receiving FACE when they informed MSD about a change in their personal circumstances and had regular contact with MSD.

Approximately 31 percent of all clients who were not receiving FACE were unable to collect the necessary documentation or chose not to provide the documentation required to support their application due to the time and effort involved, or they believed they were able to support themselves.

The pilot also highlighted that a lack of payment awareness was common among clients not receiving FACE. Lack of payment awareness occurred when either clients did not know to inform MSD of a change in circumstance, or when MSD did not assess clients' circumstances fully at the point of benefit application. Approximately 10 percent of all clients who were not receiving FACE had a lack of payment awareness.

A lack of payment awareness was prevalent among non-beneficiary clients receiving supplementary payments. Supplementary assistance is generally found to be more complex to determine eligibility or apply for and MSD tends to have fewer interactions with non-beneficiary clients.

MSD has a wide variety of assistance types available, and this, coupled with the sometimes complex eligibility criteria and systems, led to instances where both staff and clients were not aware of a client's correct entitlement.

The pilot also found that some clients with a health condition or disability were not receiving FACE. Approximately 37 percent of all clients who were not receiving FACE had a health condition or disability. These clients were receiving payments such as the Supported Living Payment and DA, which had relatively less favourable FACE outcomes compared to other benefit types.

## The pilot found that 59 percent of clients were receiving FACE.

The pilot found that most clients were receiving FACE (around 59 percent of clients).

Among the clients that were not receiving FACE, most clients were being paid less than they were entitled to. Following the FACE assessments approximately 21 percent of clients were assessed as being underpaid and received an increase to their weekly payments.

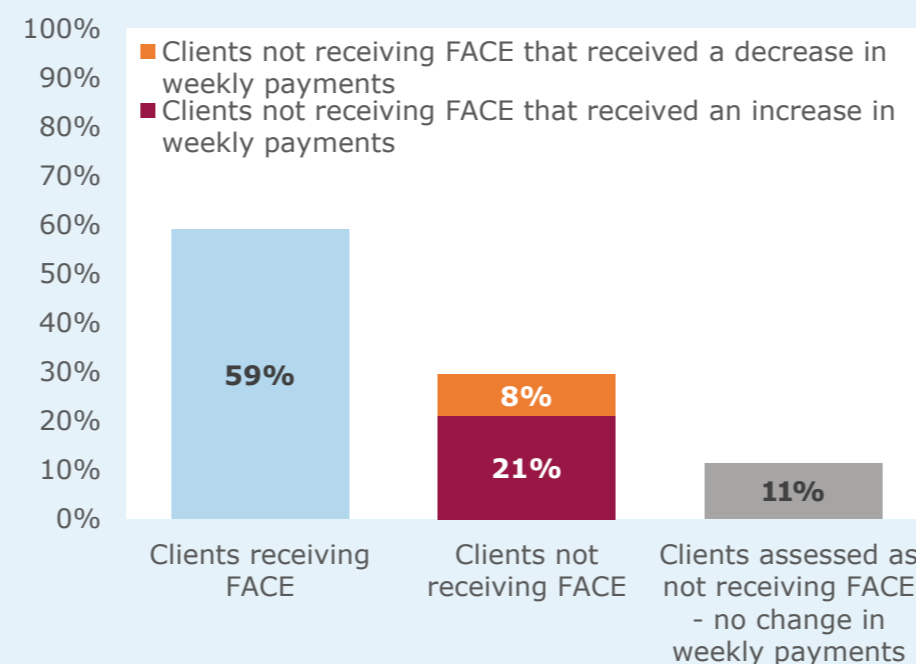
8 percent of clients were being paid more than they were entitled to and received a decrease to their weekly payments following their FACE assessment. Those clients who were overpaid were considered as not receiving FACE for the purposes of this pilot.

Approximately 11 percent of clients were assessed by the case manager as not receiving FACE, but did not end up having any change to their weekly payments following the assessment. This was for a variety of reasons. Manual analysis of case notes showed that of the clients in this group:

- › 58 percent chose not to apply for or progress any additional financial assistance for which they may potentially be eligible – mainly because they were unable to, or chose not to, provide the necessary documentation (e.g., pay slips, or GP/pharmacy receipts) or found the application process they had to go through not worth the extra money they would be entitled to.
- › 29 percent had a debt or backdated payment established due to a correction of entitlement periods in the past.
- › 13 percent returned their required documentation and applications after the pilot had ended. This meant that changes in their payments were not measured as part of the FACE pilot.

<sup>3</sup> To ensure confidentiality of clients the numbers in this report have been random rounded to base three. This means that the values reported in this report will not necessarily sum to the total number of clients in the pilot (1,432).

**Figure 1: Approximately 59 percent of clients in the pilot were found to be receiving FACE, while around 29 percent had either an increase or decrease in their payments and 11 percent were assessed as not receiving FACE but had no change in their weekly payments<sup>3</sup>.**



## The most common reason why clients were not receiving FACE was their changing circumstances.

To support the pilot, MSD reviewed case notes to understand the common reasons why clients were not receiving FACE. An analysis of case manager client notes found that there were multiple underlying, often overlapping, reasons for why clients were not receiving FACE.

### Clients were more likely to be receiving FACE when clients informed MSD of changes in their personal circumstances.

Changing circumstances was the most common reason for clients to not be receiving FACE. Clients' lives can be complex and dynamic, and they often experienced changes in employment, housing costs, family relationships, and their health. The need to update MSD with this information appears to be a common cause of many clients not receiving FACE. This was particularly the case for non-beneficiary clients who generally have less contact with MSD to confirm or update their circumstances.

Of the clients that were not receiving FACE, 61 percent had a change in circumstances which affected their entitlement.

Various reasons were identified for why MSD was not aware of changes in clients' circumstances or why clients' circumstances were not up to date in MSD's records. These reasons included that clients':

- › did not know they had an obligation to inform MSD of changes in their circumstances.
- › chose to not inform MSD of changes in their circumstances.
- › did inform MSD of changes in their circumstances, but this information was not processed by MSD systems.
- › found the processes of informing MSD difficult and confusing.
- › had language and literacy barriers to communicating changes in their circumstances to MSD.

In most cases clients were receiving FACE when they informed MSD about a change in their personal circumstances and had regular contact with MSD.

### Some clients reported difficulty in (or chose not to), obtaining the necessary documentation to support their benefit applications.

The second most common reason for clients not receiving FACE was that some clients did not have the necessary documentation readily available to verify their eligibility.

Approximately 31 percent of all clients who were not receiving FACE were unable to (or chose not to) provide the necessary documentation such as tenancy agreements, pay slips, or GP / pharmacy receipts. Most of these clients believed that the process to obtain these documents was not worth the extra money they would be entitled to.

### The pilot found that some clients had a lack of awareness of the payments available to support them.

Approximately 10 percent of all clients who were not receiving FACE had a lack of information about the payments available to support them. Lack of payment awareness was most prevalent among non-beneficiary clients receiving supplementary payments. Non-beneficiary clients were often working and had infrequent contact with MSD.



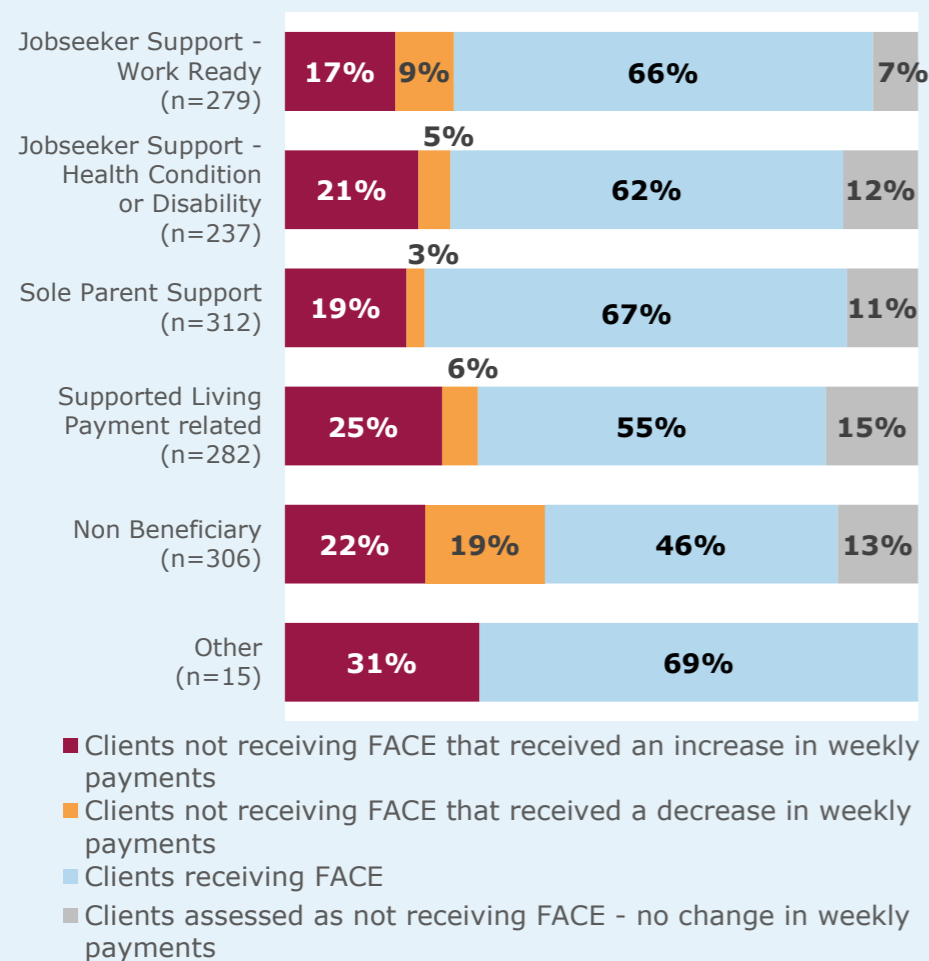
## Most main benefit recipients were already receiving FACE before their assessment.

Main benefit recipients had a higher rate of receiving FACE compared to non-beneficiaries, presumably because of their more frequent interactions with MSD.

An average of 63 percent across clients receiving a main benefit were receiving FACE.

Clients receiving Sole Parent Support and Jobseeker Support – Work Ready had the most favourable FACE outcomes amongst people receiving main benefits in the pilot. Clients receiving these payments generally have more regular contact with MSD which may support them to keep MSD up to date on their circumstances and therefore their FACE.

**Figure 2: Sole Parent Support and Jobseeker Support – Work Ready clients were more likely to be receiving FACE than other clients**



The majority of people entitled to main benefits were already receiving the relevant benefit before their assessment, though some at the incorrect rate. Only 2 percent of clients that were assessed as being eligible to receive a main benefit during the pilot were not receiving this support before the pilot. These clients may have had a lack of awareness of the payments available to support them, or they may have had a change in circumstances but did not update MSD at the time.

## Non-beneficiary clients were less likely to be receiving FACE.

Approximately 54 percent of non-beneficiary clients were not receiving FACE, compared with an average of 37 percent across clients receiving a main benefit.

These clients often have less frequent contact with MSD and therefore less opportunity to update their circumstances and assess their entitlement.<sup>4</sup> During the pilot, it was found that a noticeable number of clients were eligible for supplementary payments but weren't receiving them. Among clients that were assessed as being eligible to receive either Temporary Additional Support (TAS), Disability Allowance (DA), or the Accommodation Supplement (AS) during the pilot, approximately:

- > 26 percent were not receiving TAS before the pilot.
- > 8 percent were not receiving DA before the pilot.
- > 5 percent were not receiving AS before the pilot.

The pilot highlighted that clients have a lack of awareness about their eligibility for these payments, and that the effort required to prove and maintain eligibility is a factor in whether they choose to apply for benefits they are entitled to.

Some clients were already receiving supplementary payments before their assessment but were paid incorrect amounts. Among clients that were assessed as being eligible to receive either DA, TAS, or AS during the pilot, approximately:

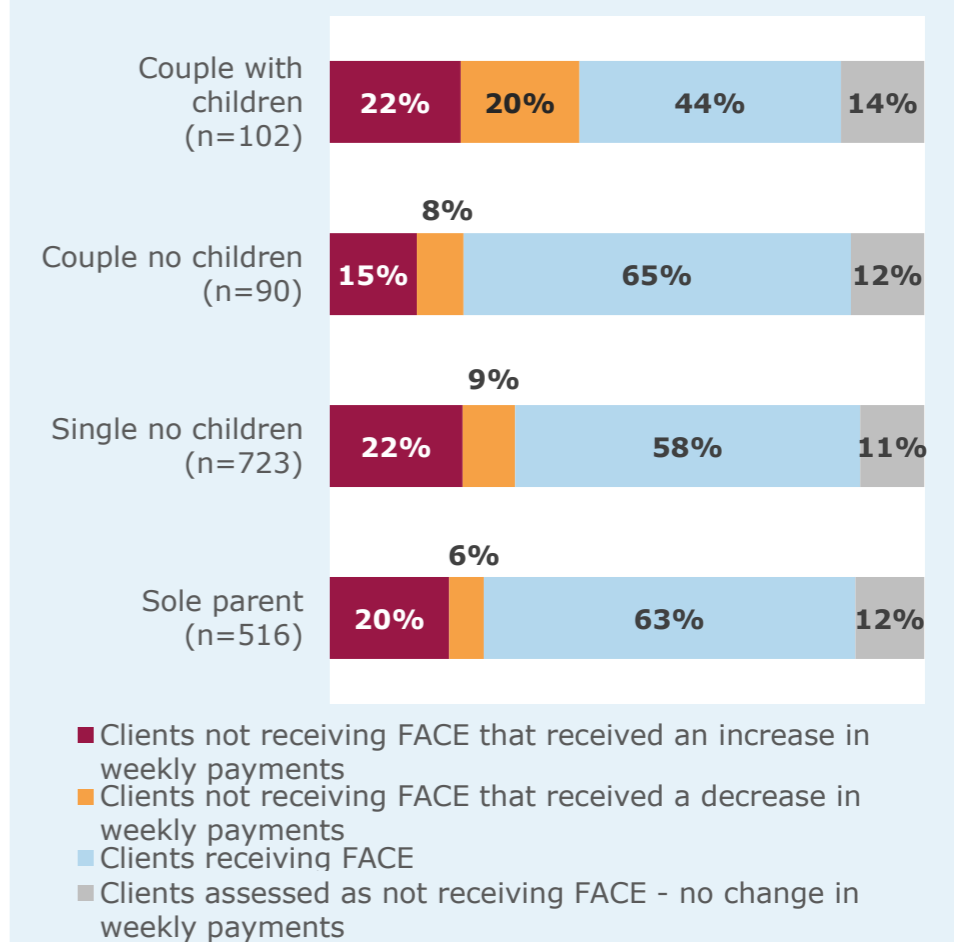
- > 14 percent had been underpaid and 2 percent had been overpaid while receiving DA before the pilot.
- > 10 percent had been underpaid and 3 percent had been overpaid while receiving TAS before the pilot.
- > 9 percent had been underpaid and 5 percent had been overpaid while receiving AS before the pilot.

Many of these clients received incorrect payment amounts because they did not follow their obligations and inform MSD of a change in circumstance, or MSD did not assess clients' circumstances fully at the point of benefit application.

## Couples with children were less likely to be receiving FACE.

More than half of couples with children were not receiving FACE, which was high compared with other family types. Clients in this family type were often working and not on a main benefit which generally meant they were only eligible for supplementary assistance and had less frequent contact with MSD.

**Figure 3: FACE outcomes varied across clients in different family types**



In comparison, couples with no children and sole parent families had more favourable FACE outcomes.

<sup>4</sup> Main benefit recipients made up 72 percent of all clients in the pilot that were not receiving FACE, whereas non-beneficiary clients made up 28 percent of all clients not receiving FACE. This occurred because the number of main benefit recipients in the pilot (n=1,125) was larger than the number of non-beneficiary clients (n=306).

### **During the pilot Case Managers recorded various contextual factors that were associated with clients receiving or not receiving FACE.**

FACE outcomes were more favourable when clients had frequent contact with MSD and their previous engagement with MSD was in person. The percentage of clients receiving FACE when clients combined a Service Centre appointment with either a Contact Centre phone call or a MyMSD login, or solely went into a Service Centre in their previous engagement were 76 percent, 68 percent, and 58 percent, respectively. In comparison, only 52 percent of clients who called the Contact Centre in their previous engagement were receiving FACE and 56 percent of clients who logged into MyMSD in their previous engagement were receiving FACE.

The pilot also found that some clients with a health condition or disability were not receiving FACE. Approximately 37 percent of all clients who were not receiving FACE had a health condition or disability. These clients were receiving payments such as the Supported Living Payment and DA, which had relatively less favourable FACE outcomes compared to other benefit types. These clients also reported that at times their health condition or disability impacted their ability to obtain the necessary documentation to support their benefit application.

Similarly, some clients that had a dependent child or were caring for a dependent other (e.g. parent, partner, sibling) with a health condition or disability were not receiving FACE. Approximately 11 percent of clients that had a dependent child with a health condition or disability were not receiving FACE, whereas around 4 percent of clients that were caring for a dependent other with a health condition or disability were not receiving FACE. Clients reported that when a child or dependant was involved, the wait times for documentation sometimes discouraged them from applying for income support.