## Appendix Three: WEAG Recommendations and progress to date

This document provides an update on the welfare overhaul work programme and its alignment with the WEAG recommendations.

Rec #	WEAG Recommendation	Update on progress of work
1	Amend the Social Security Act 2018 to state that anyone exercising power under the Act have regard to the following purpose and values.  The purpose of the welfare system is to whakamana tangata and ensure a dignified life by:  • providing financial security and social security sufficient for an adequate standard of living  • supporting people to achieve their potential for learning, caring or volunteering, and earning through good and appropriate work.  The welfare system is underpinned by Kia Piki Ake Te Mana Tangata, including kaupapa Māori values of:  • manaakitanga – caring with dignity and respect  • ōhanga – economics  • whanaungatanga – treasuring kinship ties and relationships  • kotahitanga – unity  • takatūtanga – preparedness  • kaitiakitanga – guardianship.	Review of the purpose and principles of the Social Security Act 2018  MSD has concluded the first phase of the review of the purposes and principles of the Social Security Act 2018 (the Act). The review was progressed through a cross-agency working group with the Treasury, Inland Revenue and Oranga Tamariki. Further advice was provided to the Minister for Social Development and Employment in mid-2021, and the review is now entering its second phase after first focusing on financial assistance.  S9(2)(f)(tv)  Kaupapa Māori values for the welfare system  MSD has established a group of experts in mātauranga Māori, Ngā Mātanga Māori, to consult on the development of a kaupapa Māori values framework to underpin the welfare system and to explore how the values could be given effect.
2	Use the following principles to guide the design and operation of the welfare system.  Be person-centred and wellbeing focused  Keep children paramount  Value whānau and families  Treat people with dignity, respect, compassion  Provide an income sufficient for an adequate standard of living  Provide full and correct entitlements  Deliver support that is easy to access, timely and appropriate  Provide an employment service that supports people into good and appropriate work  Support provision of housing that is affordable, secure, of good quality and appropriate for the person (and their family or whānau)  Promote mutual expectations  Aim for equitable outcomes  Build and maintain effective linkages with other parts of government  Be sustainable.	

Rec #	WEAG Recommendation	Update on progress of work
3	Establish a cross-Ministerial approach to implement and monitor the effectiveness of the implementation and impact on outcomes of the Welfare Expert Advisory Group's recommendations (across welfare, health, housing, justice, education and employment) that is cognisant of responsibilities under Te Tiriti o Waitangi (the Treaty of Waitangi) and involves users of the welfare system.	The Minister for Social Development and Employment has been using the Social Wellbeing Cabinet Committee as the main forum to discuss progress of work in alignment with the Welfare Expert Advisory Group's recommendations and will continue to do this as the welfare overhaul progresses.
4	Direct the Chief Executive of the Ministry of Social Development to design and implement a welfare system that will fulfil the new purpose and principles of the amended Social Security Act, is cognisant of responsibilities under Te Tiriti o Waitangi and involves users of the system.	All work on the welfare overhaul work programme will have regard for the Crown's responsibilities under Te Tiriti o Waitangi/Treaty of Waitangi.  MSD is exploring options for embedding Te Tiriti o Waitangi/Treaty of Waitangi obligations within the welfare system.   89(2)(f)(iv)  Responsibility for the overall design of the welfare system rests with the Government, and not with the chief executive of MSD.
5	Direct the Ministry of Social Development and Inland Revenue to publish yearly, whether as part of their Annual Reports or Statement of Intent, or as a standalone report, information on key outcomes for those interacting with the welfare system, including information about full and correct entitlements, take-up rates of payments, employment outcomes, the impact of employment supports and services, and after-tax and abatement earnings.  Measures should include:  • full and correct entitlement for all who are eligible by ethnicity, gender, location, health conditions and disabilities, and number and age of dependent children (0–17 years)  • take-up rates of payments by ethnicity, gender, location, health conditions and disabilities, and number and age of dependent children (0–17 years)  • employment outcomes by benefit type, ethnicity, gender, location, health conditions and disabilities, age, and duration off benefit (3, 6 and 12 months)  • impact of employment supports and services on outcomes by ethnicity, gender, location, health conditions and disabilities, and number and age of dependent children (0–17 years)  • after-tax and abatement earnings for those receiving financial support from Inland Revenue or the Ministry of Social Development by ethnicity, gender, location, health conditions and disabilities, and number and age of dependent children (0–17 years).	The Minister for Social Development and Employment has already directed MSD officials to expand reporting in line with recommendation 5 to ensure we have a better understanding of outcomes for clients. This includes the "heartbeat initiative", which measures people's experiences at Work and Income.  MSD is exploring options for measuring full and correct entitlement.  MSD also produce yearly reports on employment effectiveness of employment assistance, which can be broken down by a number of variables.
6	Embed the competencies required to achieve greater equity for Māori in the job descriptions, key performance indicators and performance reviews of the Ministry of Social Development's management and staff.	Work is underway within MSD to explore this, such as through MSD's Maori Strategy and Action Plan—Te Pae Tata.

Rec #	WEAG Recommendation	Update on progress of work
7	Include in the amended Social Security Act specific requirements for the Chief Executive of the Ministry of Social Development to be accountable to iwi (as recognised collectives) and to Māori (as individuals, whānau and communities) for achieving equitable wellbeing outcomes for Māori from the welfare system.	Accountability measures are being considered alongside recommendations 1 and 4, in the development of a kaupapa Māori values framework to underpin the welfare system and options for embedding Te Tiriti o Waitangi/Treaty of Waitangi obligations within the welfare system.
8	Direct the Ministry of Social Development to commit to building its cultural responsiveness to Pacific People, to achieve equitable outcomes for Pacific People engaging with the welfare system. Cultural responsiveness includes having an awareness of cultural obligations experienced by Pacific People around contributions for weddings, funerals and other critical cultural events and taking account of the nuances within diverse Pacific communities.	MSD has developed and launched its first Pacific Strategy and Action Plan—Pacific Prosperity. Pacific Prosperity places Pacific peoples, families, and communities at the heart of development, thinking and decision making and focuses on providing opportunities for MSD to respond to the changing context of Pacific peoples in New Zealand. It is used as a guide to inform policy and deliver stronger co-ordinated action with and for Pacific peoples across Government, stakeholders, and wider social sector service providers.  A work programme has been developed to support the implementation of the strategic objectives and actions in Pacific Prosperity, which includes activity to support policy development, service delivery, internal and external capability building and programmes and initiatives that contribute to improving the social and wellbeing outcomes for Pacific peoples.  Under Pacific Prosperity, MSD has established two distinct advisory groups; the Pacific Reference Group, whose membership is external and made up of Pacific sector leaders with expertise and knowledge of the social sector, and the Pacific Leaders Forum, whose membership represents internal staff leadership. The advisory groups are designed specifically to maintain a voice that represents the aspirations of Pacific peoples around New Zealand and provides expert advice to support the implementation of the work programme.  The Pacific Strategy and Action Plan will continue to be refined and reviewed to ensure it meets the needs and future aspirations of Pacific peoples who engage with the welfare system.
9	<ul> <li>The Welfare Expert Advisory Group recommends, in addition to the recommendations elsewhere that will improve outcomes for Māori, the Government:</li> <li>supports the Ministry of Social Development to continue to shift towards whakamana tāngata – to build the mana of others and uplift them in a way that honours their dignity</li> <li>supports the Ministry of Social Development to continue to review and evaluate, with Māori, the services the Ministry delivers to ensure they are effective in improving outcomes for Māori</li> <li>works with Māori to consider other effective ways of delivering welfare services and funding that are informed by Te Ao Māori, including longer-term, whānau-centred, strengths-based initiatives.</li> </ul>	MSD's overall purpose is to help New Zealanders to be safe, strong and independent. This is reflected in MSD's strategic intention—Te Pae Tawhiti, which focuses on mana manaaki (treating people with respect and compassion and being open and fair), kotahitanga (working collectively with others and fostering strong relationships) and kia takatū tatou (taking a long-term strategic approach to community, regional and economic development).  MSD has also developed and released Te Pae Tata, a Māori strategy and action plan, which articulates how we will work with Māori to achieve better outcomes for Māori, beginning with embedding a Māori world view into MSD. This will inform MSD's engagement with whānau, hapū, iwi and Māori organisations to identify opportunities to work in partnership.  This work will help to give effect to measures developed in response to recommendations 1, 4, and 7, in the development of a kaupapa Māori values framework to underpin the welfare system and options for embedding Te Tiriti o Waitangi/Treaty of Waitangi obligations within the welfare system.
10	Develop a mutual expectations framework to govern interactions between the Ministry of Social Development and those who interact with the welfare system.	A range of reforms across the benefit system will contribute to rebalancing expectations between MSD and those who interact with the welfare system into a system of mutual expectations and responsibilities.  MSD has started work to ensure clients are treated with dignity and respect at MSD, and this will continue. This includes looking into how to shift towards a more personalised approach to case management.  In 2019, MSD began work on creating a new operating model. We are exploring options to transform MSD's operating model by investing in a new service model, technology and business processes.  Work obligations and sanctions in the Social Security Act 2018 are being reviewed as part of the welfare overhaul work programme. We provided advice to the Minister for Social Development and Employment in May 2021 on the scope of the review. One of the objectives of the review is to amend the work obligations and sanctions regime into a system that treats people with dignity based on mutual expectations and responsibilities.

Rec	WEAG Recommendation	Update on progress of work
11	Remove some obligations and sanctions (for example, pre-benefit activities, warrants to arrest sanctions, social obligations, drugtesting sanctions, 52-week reapplication requirements, sanctions for not naming the other parent, the subsequent child work obligation,	The Government has repealed Section 192 of the Social Security Act 2018 (the Act).  In March 2021, the Social Security (Subsequent Child Policy Removal) Amendment Bill was introduced to remove the subsequent child policy from the Act and Social Security Regulations 2018 in November 2021. This Bill is scheduled for its second reading.
	and the mandatory work ability assessment for people with health conditions or disabilities).	The initial income stand-down period before receiving a main benefit was temporarily removed by the Government in response to COVID-19, allowing all eligible New Zealanders to receive income support as soon as they needed it. <a href="mailto:s9(2)(f)(iv)">s9(2)(f)(iv)</a> initial income stand-downs returned on 25 July 2021. <a href="mailto:s9(2)(f)(iv)">s9(2)(f)(iv)</a>
		There have also been further changes to obligations and sanctions throughout COVID-19, although many of these were only on a temporary basis.
		A Budget 2021 bid was approved to extend the current temporary deferral and fund a new process around subsequent work capacity medical certificates for Jobseeker Support – Health Condition and Disability.
		In mid-2021, MSD provided advice regarding Phase One of the review of obligations and sanctions, which focuses on:
		<ul> <li>pre-employment drug-testing obligations</li> <li>warrant to arrest sanctions, and</li> </ul>
		social obligations.
		This work is ongoing. s9(2)(f)(iv)
		The 52-week reapplication requirement was paused in response to COVID-19 and resumed in February 2021. s 9(2)(f)(iv)
12	Improve outcomes by ensuring the public-facing, frontline service is consistent with the new purpose and principles through sufficient	The Government is already making changes to improve frontline services in line with recommendation 12 and will continue to do so. The pre-budget announcement of additional staff is also an important part of this by providing extra resources on the frontline.
	resourcing (for example, staffing, support and services), an appropriate performance framework, and complaints and disputes processes.	Additional funding for further frontline staff and employment services to support an increase in demand was received as part of Budget 2020, with \$250 million to increase MSD's workforce capacity by 807 FTE and \$150 million for the Employment Service Response.
		MSD has also made improvements to its service centres by making changes to front of house areas such as having watercoolers, new 'kids area' furniture and signages to help service centres be a more welcoming and accessible environment. The new front of house changes were designed with input from clients and has been rolled out to all service centres.
13	Assist recipients of Sole Parent Support to return to part-time work when their youngest child is 6 years old (subject to supports being available, such as good quality childcare) instead of the current 3 years. Support but not require all sole parents to return to work when their youngest child is under 6 years old.	s9(2)(f)(iv)
14	Continue to prioritise a reduction in outstanding benefit debt through sustainable repayments, and minimise the creation of overpayments, including reviewing recoverable hardship assistance and current practice, to be more consistent with whakamana tangata.	The review of Hardship Assistance is underway, and a detailed initial update was provided to the Minister for Social Development and Employment in early August 2021. 59(2)(f)(iv)
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Rec #	WEAG Recommendation	Update on progress of work
15	Align the regulations and practice around benefit debt so that it is treated in substantially the same way as Inland Revenue treats taxpayer debt.	In September 2019, the DPMC-led cross-agency debt to government working group advised joint Ministers that progressing alignment would have undesirable effects, such as the introduction of interest and penalties which MSD does not currently apply [REP/19/9/850 refers].
16	Instigate a cross-government approach to managing debt to government agencies.	A DPMC-led cross-agency debt to government working group was established in 2019 with representatives from MSD, Inland Revenue, Treasury, the Ministry of Justice and the Child Poverty Unit. 59(2)(f)(iv)
17	Endorse the Ministry of Social Development's three-tiered approach to responding to fraud allegation: intervene, facilitate and, as a last resort, investigate. Apply the principles of natural justice in all steps, and, if the outcome is disputed, permit a review independent of the Ministry of Social Development.	The Minister for Social Development and Employment endorsed MSD's approach to fraud, as suggested in recommendation 17, and will continue to ensure fraud is handled appropriately.  Work is ongoing to ensure that fraud in relation to the wage subsidy is handled quickly and appropriately, with specific processes developed.
18	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.	This is primarily being handled by the Department of Corrections. \$9(2)(f)(iv)  As part of the Supporting Offenders into Employment service, MSD continues to provide tailored wrap-around support to eligible people before and after they are released from prison, to achieve their goals, secure and sustain employment and reduce recidivism. This is a cross agency partnership with Corrections and is funded until 30 June 2022.
19	Adopt the following 10 principles to redesign the income support system.  Income support is adequate for meaningful participation in the community, and this support is maintained over time  Income support ensures people are always better off in paid work and high effective marginal tax rates are avoided as much as possible  Main benefits cover a larger proportion of people's living costs than they do currently (reducing reliance on other assistance)  Child-related payments follow the child and can be apportioned with shared care.  Payments for specific costs provide support that is adequate, appropriately designed and easy to access  Changes to income support reduce disincentives to form relationships.  The income support system proactively supports people to access their full and correct entitlements and promotes these entitlements to the broader population  The income support system is easy to access and provides timely support, including to people transitioning in and out of the system  The income support system is as simple as possible balanced against the need to provide adequate support for people in a variety of circumstances at a reasonable cost to government  People are treated with dignity and respect when accessing this support.	The income support system has experienced several changes since the release of the WEAG report to align with the 10 principles outlined in recommendation 19.  These principles have underpinned recent changes including:  Increases in benefits and benefit abatement thresholds have improved the adequacy of income support, while supporting incentives to work as beneficiaries are able to work more hours (while receiving a main benefit).  Amending the process for subsequent work capacity medical certificates so that the client's health practitioner will have more flexibility to recommend the time between medical reviews based on how long the client's ability to work is expected to be affected by their disability, injury or health condition, instead of being a mandatory period.  These principles continue to inform ongoing work including:  Initial steps to review the operational policy, training and guidance on how staff determine relationships. MSD is also considering as part of its longer-term work programme a range of issues related to the unit of entitlement and how relationships interact with the welfare system.  SELECTION SELECTIO

Rec #	WEAG Recommendation	Update on progress of work
20	Reform main benefits by:	After-tax rates of main benefits has increased by \$25 from 1 April 2020.
	<ul> <li>increasing main benefits by between 12% and 47% as set out in table 2, page 99</li> </ul>	The abatement thresholds for Jobseeker Support (single person or couple) increased to \$160 per week from 1 April 2021 and between \$160 and \$250 per week for sole parents and Supported Living Payment recipients.
	<ul> <li>increasing the abatement thresholds for:</li> <li>Jobseeker Support to \$150 a week</li> </ul>	On 1 July 2021, all main benefit rates increased by \$20 per week, per adult, (\$40 for couples). Further increases will occur in April 2022, including:
	<ul> <li>Sole Parent Support and Supported Living Payment to \$150 a week and \$250 a week.</li> </ul>	<ul> <li>further increasing main benefit rates to meet the levels recommended by the WEAG, with an additional \$15 (after tax) per week, per adult, for families with children, and</li> </ul>
	week and \$250 a week.	increasing student support rates by \$25 per week.
		Youth rates of main benefits will be the only rates that remain below those recommended by the WEAG, for those not already paid at the adult rate. There are significant implications for studying and training incentives by raising these rates, that require careful consideration.   [59(2)(f)(iv)
21	Fully index all income support payments and thresholds annually to	Indexation of main benefits to average wage growth was passed as part of Budget 2019 and implemented in April 2020.
	movements in average wages or prices, whichever is the greater. Index Accommodation Supplement rates to movements in housing costs.	From 1 April 2022, the income thresholds for Childcare Assistance will be adjusted annually in line with average wage growth. This change will maintain financial incentives to work for low-income families by helping to maintain their entitlement to Childcare Assistance as their wages grow.
22	Consider introducing a Living Alone Payment that contributes to the additional costs of adults living alone (without another adult) on a low income.	This work remains on the welfare overhaul work programme and will be considered as part of work to improve the income support system.
23	Reform Working for Families and other tax credits by:  • increasing the Family Tax Credit to \$170 a week for the eldest child and to \$120 a week for subsequent children	On 1 July 2020, the hours test for the In-Work Tax Credit (IWTC) was removed as part of the Government's initial response to COVID-19. In April 2021, the Government also introduced a grace period for people receiving the IWTC. This change meant people receiving IWTC payments could continue to receive these when taking an unpaid break from working.
	<ul> <li>increasing the abatement threshold for the Family Tax Credit and changing the abatement rate to:</li> </ul>	The Minimum Family Tax Credit has been increased in 2020 and 2021, following increases to main benefit rates and abatement thresholds, to continue to ensure sole parents are better off in work at the minimum required hours.
	<ul> <li>10% on family annual incomes between \$48,000 and \$65,000</li> </ul>	The Government has announced that work is underway to review Working for Families (WFF). MSD is working with Inland Revenue, Treasury and the Department of the Prime Minister and Cabinet to review WFF. Advice on the scope, scale and timing of the review was provided to joint Ministers in April 2021.
	<ul> <li>15% on family annual incomes between \$65,000 and \$160,000</li> </ul>	Income Support Ministers agreed the review would also consider the Accommodation Supplement, options for supporting disabled people in work, and interactions with separate, but related, reviews on the welfare overhaul work programme including Childcare
	o 50% on family annual incomes in excess of \$160,000	Assistance. MSD is also working closely with the Ministry of Housing and Urban Development and other key agencies on these aspects of the review.
	<ul> <li>replacing the In-Work Tax Credit, Minimum Family Tax Credit and Independent Earner Tax Credit with a new Earned Income Tax Credit</li> </ul>	
	<ul> <li>introducing an Earned Income Tax Credit of up to \$50 a week for people with and without children and with a couple-based income test</li> </ul>	
	<ul> <li>making the Best Start Tax Credit universal for all children aged under 3 years.</li> </ul>	

Rec #	WEAG Recommendation	Update on progress of work
24	Reform supplementary assistance and hardship assistance so they are adequate, appropriately designed and easy to access.	The review of Hardship Assistance is underway, s9(2)(f)(iv)
25	Require the Ministry of Social Development to, within 2 years, complete work, including commissioning independent research and focus groups, to establish a minimum income standard for New Zealand (with 5-year reviews).	MSD is working with other agencies to develop advice on these recommendations. s9(2)(f)(iv)
26	Increase, as soon as possible, overall income support to levels adequate for meaningful participation in the community, as defined by the minimum income standard (which reflects different family circumstances, for example, children, disabilities and regional area) and maintain this level of support through appropriate indexation.	Benefit rates were increased on 1 April 2020 and 1 July 2021 and will further increase on 1 April 2022, while the wage subsidy ensured that people remained connected to their employers and the communities where possible.  More work is required, which will be considered as part of the renewed welfare overhaul work programme.
27	Pass on all child support collected to receiving carers, including for recipients of Unsupported Child's Benefit.	Work on the child support pass-on proposal was paused in early 2020 due to the impact of COVID-19.  Work is currently underway, s 9(2)(f)(iv)
28	Move income support settings over time to be more neutral on the impact of being in a relationship in the nature of marriage.	s9(2)(f)(iv)
29	Urgently expand and accelerate Government efforts to substantially increase public housing on an industrial scale and continue urgent efforts to end homelessness.	Budget 2020 delivered funding for an additional 6,000 public and 2,000 transitional homes (\$5b over 5 years). When coupled with delivery from previous Budget housing initiatives in 2018 and 2019, the Government is on track to deliver over 18,000 additional places by 2024. The new Public Housing Plan 2021-2024 was released in February 2021 to give an indication of the location and number of new places. The Plan focuses on areas that are now facing high population growth and where the Housing Register is growing exponentially. Over 1,000 Transitional Housing places were also delivered to respond to the social and economic impacts of COVID-19.
		Agencies continue to implement the Homelessness Action Plan. All of the 18 immediate actions are in place or underway with progress being made to support individuals, families and whānau at risk of or experiencing homelessness and positive wellbeing and housing outcomes emerging. Work is also progressing on the development of long term actions to continue to build on current homelessness responses and the action plan framework.
		Challenges with implementation and traction in reducing homelessness continue, including COVID-19 impacts, capacity pressures and delays, continued housing affordability issues and housing supply shortages.
30	Increase the range of home ownership and tenure options for people on low and low-middle incomes.	The Progressive Homeownership Scheme will help between 1,500 and 4,000 low to middle income households to access shared ownership, rent-to-buy, or leasehold arrangements to step into home ownership. The Progressive Home Ownership initiative is delivered through joint work between HUD and Kāinga Ora and supported by \$400m funding. The fund has a specific aim to address housing affordability issues for three priority groups: Māori, Pacific peoples, and families with children. Since the fund's launch in July 2020, loans were confirmed with four providers to help 166 households and whānau step into home ownership in Auckland, Hamilton, Pāpāmoa, Nelson and Queenstown.

Rec #	WEAG Recommendation	Update on progress of work
31	Increase the capacity of third-sector community-based housing providers.	HUD is working closely with Homelessness Sector Services, formed by Te Matapihi and Community Housing Aotearoa, to identify the needs of providers, build their capability and capacity and promote effective practices, such as trauma-informed care approaches and supporting kaupapa Māori approaches.
		One of the immediate actions under the Homelessness Action Plan is to enhance the capability and capacity of Māori providers.  Progress on this work has been supported by the launch of the He Taupua fund in August 2020, led by HUD's Te Kāhui Kāinga Ora Māori Housing Team.
		The outcome of this funding includes the establishment of 36 Grant Funding Agreements, currently under development or underway. Of these, seven He Taupua grants were provided to existing Māori Community Housing Providers and three grants were provided to assist Māori groups to prepare applications to achieve Community Housing Provider status.
		He Taupua also provides funding to support the implementation of Māori and Iwi Housing Innovation (MAIHI) Framework by strengthening the delivery of kaupapa Māori approaches and building the capability of whānau and Ahuwhenua Trusts, hapū, Iwi, and registered Māori housing providers.
		The Ministry for Pacific Peoples is also progressing work to support Pacific organisations to become registered community housing providers.
32	Develop and enact laws and regulations to ensure healthy homes and housing security, decent standards of housing quality, universal design, and accessibility.	Amendments to the Residential Tenancy Act came into effect in August 2020 and February 2021 to increase security of tenure, for example through limiting the frequency of rent increases to once every 12 months and limiting reasons a landlord can end a tenancy. s9(2)(f)(iv)
		The Healthy Homes Standards, enacted in July 2019, require private rentals and boarding housing to comply with new requirements by July 2021, and public housing by July 2023. This includes changes relating to heating, insulation, ventilation, moisture and draught.
		The Winter Energy Payment for 2020 has been doubled (to \$1400 for couples and \$900 for single people), ensuring that people are more likely to be able to heat their homes and maintain healthy living conditions over winter.
33	Subsidise housing costs for people on low incomes (in addition to raising main benefit rates to provide an adequate income) and ensure the combination of changes to housing support and abatement rates make households better off.	The review of housing subsidies remains under the medium to longer-term work programme. Advice on Accommodation Supplement (AS) continues to be a focus in the review and has been brought forward to be considered alongside the review of Working for Families.
		In June 2021, officials provided advice setting out key concerns and seeking joint Ministers' feedback on the proposed scope and objectives for the review. \$9(2)(f)(iv)
		MSD and HUD are currently undertaking an evaluation of Housing Support products, which will include a review of Rent Arrears Assistance.

Rec #	WEAG Recommendation	Update on progress of work
34	Improve access to affordable, suitable housing support for people on low and low-middle incomes, including a range of affordable home-	HUD is progressing work on improving housing affordability, particularly through the supply of land, the role of regulation, the provision of infrastructure, the cost of building materials and increasing skills and the level of innovation in the construction sector.
	ownership products and papakāinga housing.	Advice to improve housing supply and affordability was provided to Ministers in January 2021. This work complements the demand-side measures developed by the Treasury and Inland Revenue. HUD continues to deliver more supply, for example work with Kāinga Ora is underway to support single-site supported housing and to implement the 2021-2024 Public Housing Plan.
		The implementation of the Homelessness Action Plan is driving new housing supply for Māori, including through partnering with Iwi, hapū and marae and providing funding to Māori Community Housing providers to increase supply (for example through He Taupua funding).
		On 23 March 2021, the Government announced new measures to increase the pace and scale of housing delivery and to support more people into home ownership. This included the Housing Accelerated Fund (\$3.8b investment), extension of the bright line test from 5 to 10 years, an in-principle decision to limit deductions for interest expenses on loans used to generate income from residential property, an increase in First Home Grant and Loan income and house price caps, and a proposal to consult on limiting rent increases to once every 12 months per rental property.
35	Establish an effective employment service of the Ministry of Social Development so it is better able to assist people to obtain and keep	In 2019, this Government invested in supporting people into meaningful and sustainable employment through several Budget 2019 initiatives:
	good, sustainable work.	new frontline staff to help support people into meaningful work
		<ul> <li>boosting Mana in Mahi to extend places available for young people to access an apprenticeship or industry training qualification and be provided with pastoral care to support them into long-term sustainable employment, and</li> </ul>
		<ul> <li>additional funding to support disabled people and people with health conditions into employment through Oranga Mahi, disability Employment Services and Support Funds.</li> </ul>
		We began further work on supporting positive social and employment outcomes, including through strengthening MSD's employment services to proactively support people experiencing difficulty in finding or staying in employment.
		COVID-19 affected the planned trajectory of implementing this vision, as demand for income support and employment services drove the need to respond to more New Zealanders who had previously not interacted with MSD and typically only needed short-term assistance to navigate the labour market. These low-cost investments were provided digitally and over the phone to support people into employment, and included:
		<ul> <li>digital service offerings such as the Work and Income Recruitment Tool, Virtual Job Expos and Click to Enrol</li> </ul>
		<ul> <li>early response initiatives such as Rapid Response Teams and the Rapid Return to Work Service, and</li> </ul>
		<ul> <li>all of government coordination of delivery initiatives such as Connected and Apprenticeship Boost.</li> </ul>
		In response to the impact of COVID-19, MSD received funding to meet the increased demand for employment services, products and staff. Through 2020, funding was secured for:
		increasing frontline income, housing and employment staff
		meeting the increased demand for employment products and services
		<ul> <li>expanding Flexi-Wage over the next two years (including ring-fenced funding for Flexi-Wage Self-Employment).</li> </ul>
		Through Budget 2021, funding was secured for:
		meeting the increased demand for employment products and services

Rec	WEAG Recommendation	Update on progress of work
36	Revamp active labour market, employment and training policies across government to make them more coherent and effective.	<ul> <li>retaining the additional frontline employment and income support staff brought on to help people impacted by COVID-19, and</li> <li>reinstating the Training Incentive Allowance over the next four years to provide additional study support at levels 4-7 on the NZQF to sole parents on benefits as well as disabled people and carers receiving the Supported Living Payment.</li> <li>The Government is also progressing several longer-term workstreams, including:         <ul> <li>ss(2)(f)(W)</li> </ul> </li> <li>addressing barriers to employment through the cross-agency driver licensing work programme and childcare assistance review</li> <li>better calibrating the immigration system and strengthening the labour market test to balance the need for skilled migrants and the need to maintain the domestic workforce, and</li> <li>developing and implementing the Employment Strategy Action Plans.</li> <li>The Government is undertaking a cross-agency review of active labour market policies (ALMPs), jointly led by MBIE, MSD and MOE with support from the Treasury and the Employment, Education and Training (EET) secretariat. Agencies will provide the first round of advice to EET Ministers in late-September 2021.</li> </ul>
37	Strengthen the Ministry of Social Development's redundancy support policies to better support displaced workers.	The Government has implemented various policies in response to COVID-19 that directly address redundancy support for displaced workers. These included:  • setting up supports such as the wage subsidy to limit redundancies  • introducing the temporary COVID-19 income relief payment to ease transitions for displaced workers, and  • the temporary removal of the initial income stand-down period to quicken access to a main benefit for those who needed it, until 25 July 2021.  The Government has also undertaken significant work to explore whether a Social Unemployment Insurance Scheme should be introduced for New Zealanders, to better support displaced workers long-term (MSD, TSY, IRD, MBIE, DPMC). Public consultation is planned for later this year.  MSD will also continue to respond to larger-scale redundancy events with its Early Response Teams.
38	Abolish, in the Youth Service, compulsory money management, and separate case management from youth mentoring so it is consistent with and has a positive youth development focus.	Consultation with young people and providers was completed in 2019. We recommended to the Minister for Social Development and Employment that compulsory money management should not be abolished, but reformed to make it more flexible.  Subsequent advice on options to improve the flexibility of money management in the Youth Service was provided in May 2021.  S9(2)(f)(IV)

Rec	WEAG Recommendation	Update on progress of work
39	Use evidence-based approaches that support young people to be learning, earning and, where young people are parents, caring. These approaches need to build on the strengths of young people and provide a basis for their long-term engagement with the changing world of work.  Improve the health and wellbeing of people with health conditions	MSD has several programmes that support youth development, including He Poutama Rangatahi, Mana in Mahi and Apprenticeship Boost (the latter two are open to all groups, with relatively high take up among young people).  Further work is being progressed on:  • reviewing the expanded Mana in Mahi offering  • implementing the Youth Action Plan, as well as actions in the other Employment Strategy Action Plans that improve outcomes for young people, and  • developing the cross-agency long-term insights briefing on youth at risk of limited employment.  Funding for the disability sector was significantly increased in Budget 2020, specifically with the intent of improving access to
40	and disabilities, along with carers of people with health conditions and disabilities who interact with the welfare system by:  • providing financial support that is adequate to live a life with dignity and is equitable across the social sector  • implementing evidence-based approaches to support engagement in good, suitable work and the community where this is possible  • implementing strategies to prevent work-limiting health conditions and disabilities.	services and alleviating financial pressure on them (\$833 million over five years). Further work is required.  A Budget 2021 bid to improve the subsequent work capacity medical certificate process for Jobseeker Support – Health Condition and Disability was progressed and will be implemented from early 2022.  People with health conditions and disabilities needing support from the welfare system will have benefited from wider steps taken to improve income adequacy (e.g. raising main benefits and annual indexation of main benefits in line with wage growth).  MSD is reviewing financial support and eligibility settings for current benefit payments for disabled people, people with health
41	Include in the scope of the New Zealand Health and Disability System Review the relationship between the health and disability system and the accident compensation scheme and how the relationship between these and the welfare system could be changed to improve outcomes for people with health conditions and disabilities and carers.	The Government recognises that improvements in outcomes for people with health conditions and disabilities requires greater integration across systems. Further work to improve the interfaces between MSD and other agencies working with people with health conditions and disabilities will need to consider broad-ranging work currently underway (e.g. reform of the health and disability system, 9(2)(f)(iv), Mahi Aroha).  89(2)(f)(iv)
42	Direct the Ministry of Social Development to develop the capacity and capability to engage with, promote and fund community organisations to provide wide-ranging opportunities for volunteers and people receiving benefits to be meaningfully engaged in their communities.	The Minister for Social Development and Employment has already commissioned the Social Wellbeing Board to explore NGO contracting and relationships across Government (The Future of Social Sector Commissioning work programme). The Minister will also be considering how MSD can better support volunteering.  Following the release of draft commissioning principles in 2020, work is underway across social sector agencies (jointly led by MSD and Oranga Tamariki) to progress the development of a relational approach to commissioning social services that can be applied across the 10 government agencies that commission social services.  S9(2)(f)(iv)