

Be sustainable.

Governance and performance

██████████ Establish a cross-ministerial approach to implement and monitor the effectiveness of the implementation and impact on outcomes of the Welfare Expert (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.

██████████ 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.

██████████ Direct the Ministry of Social Development and Inland Revenue to publish yearly, whether as part of their Annual Reports or Statements 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 and disability conditions, and number and age of dependent children (0 17 years)

take-up rates of payments by ethnicity, gender, location, and number and age of dependent children (0 17 years)

employment outcomes by benefit type, ethnicity, gender, location, age, and duration off benefit (3, 6 and 12 months)

impact of employment supports and services on outcomes by ethnicity, gender, location, health and disability conditions, 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 and disability conditions, and number and age of dependent children (0 17 years).

██████████ Embed the competencies required to achieve greater equity for

RECOMMENDATION 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 for

RECOMMENDATION 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.

Improving outcomes for Māori

RECOMMENDATION 9: The Welfare Expert Advisory Group recommends, in addition to the recommendations elsewhere that will improve outcomes for Māori, the Government:

- 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
- 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
- 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.

Rebalancing the social contract – improving the operation of the welfare system

Restoring trust

RECOMMENDATION 10: Develop a mutual expectations framework to govern interactions between the Ministry of Social Development and those who interact with the welfare system.

RECOMMENDATION 11: Remove some obligations and sanctions (for example pre-benefit activities, warrants to arrest sanctions, social obligations, drug-testing sanctions, 52 week reapplication requirements, sanctions for not naming the other parent, the subsequent child work obligation, and the mandatory work ability assessment for people with health conditions or disability).

RECOMMENDATION 12: Improve outcomes by ensuring the public-facing, frontline service is consistent with the new purpose and principles through sufficient resourcing (for example, staffing, support and services), an appropriate performance framework, and complaints and disputes processes.

RECOMMENDATION 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.

Reducing the generation of debt

RECOMMENDATION 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 tāngata.

RECOMMENDATION 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.

RECOMMENDATION 16: Instigate a cross-government approach to managing debt to government agencies.

Minimising the small amount of fraud

RECOMMENDATION 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.

Interface with the justice sector

RECOMMENDATION 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.

Income support

Benefits, Working for Families and supplementary assistance

The following recommended changes need to provide people on low incomes with significantly more than they currently receive (without disadvantaging others on low incomes). Recommendations 19 to 23 should be implemented urgently.

RECOMMENDATION 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.

RECOMMENDATION 20: Reform main benefits by:

- increasing main benefits by between 12% and 47% as set out in table 2, page 84 of the report
- increasing the abatement thresholds for:
 - Jobseeker Support to \$150 a week
 - Sole Parent Support to \$150 and \$250 a week
 - Supported Living Payment to \$150 and \$250 a week.

RECOMMENDATION 21: Fully index all income support payments and thresholds annually to movements in average wages or prices, whichever is the greater. Index Accommodation Supplement rates to movements in housing costs.

RECOMMENDATION 22: Consider introducing a Living Alone Payment that contributes to the additional costs of adults living alone (without another adult) on a low income.

RECOMMENDATION 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
- increasing the abatement threshold for the Family Tax Credit and changing the abatement rate to:
 - 10% on family annual incomes between \$48,000 and \$65,000
 - 15% on family annual incomes between \$65,000 and \$160,000
 - 50% on annual incomes in excess of \$160,000
- replacing the In-Work Tax Credit, Minimum Family Tax Credit and Independent Earner Tax Credit with a new Earned Income Tax Credit
- 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
 - making the Best Start Tax Credit universal for all children aged under 3 years.

RECOMMENDATION 24: Reform supplementary assistance and hardship assistance so they are adequate, appropriately designed and easy to access.

RECOMMENDATION 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).

RECOMMENDATION 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.

Passing on child support

RECOMMENDATION 27: Pass on all child support collected to receiving carers, including for recipients of Unsupported Child's Benefit.

Clarifying eligibility and relationship status

RECOMMENDATION 28: Move income support settings over time to be more neutral on the impact of being in a relationship in the nature of marriage.

Alleviating the housing conundrum

Detailed recommendations for this section are listed on page **Error! Bookmark not defined..**

RECOMMENDATION 29: Urgently expand and accelerate government efforts to substantially increase public housing on an industrial scale and continue urgent efforts to end homelessness.

RECOMMENDATION 30: Increase the range of home ownership and tenure options for people on low and low–middle incomes.

RECOMMENDATION 31: Increase the capacity of third-sector community-based housing providers.

RECOMMENDATION 32: Develop and enact laws and regulations to ensure healthy homes and housing security, decent standards of housing quality, universal design, and accessibility.

RECOMMENDATION 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.

RECOMMENDATION 34: Improve access to affordable, suitable housing support for people on low and low–middle incomes, including a range of affordable home-ownership products and papakāinga housing.

Improving access to employment supports and work

Supporting working-age adults

RECOMMENDATION 35: Establish an effective employment service of the Ministry of Social Development so it is better able to assist people to obtain and keep good, sustainable work.

RECOMMENDATION 36: Revamp active labour market, labour market, employment and training policies across government to make them more coherent and effective.

RECOMMENDATION 37: Strengthen Ministry of Social Development redundancy support policies to better support displaced workers.

Supporting youth to engage in education, training or paid work

RECOMMENDATION 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.

RECOMMENDATION 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.

People with health conditions and disabilities and carers

RECOMMENDATION 40: Improve the health and wellbeing of people with health conditions 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.

RECOMMENDATION 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.

Community

RECOMMENDATION 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.