

Steps to Freedom (StF)

This page will give you information and supporting materials to help you with the Steps to Freedom process.

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What is Steps to Freedom

Steps to Freedom (StF) is a special needs grant paid to people who were in prison or held in custody on remand for 31 days or longer; and have been released from prison or from court. StF are also paid to deportees (deported from overseas (back to New Zealand) following release from prison) – Please refer to [Map](#). StF special need grant is to help with essential costs to re-establish themselves back in the community.

StF payments are normally made onto a Westpac card for ease of use but can be made by direct credit to a client or agents account.

How Steps to Freedom payments are issued

Scheduled releases from prison

Department of Corrections work with MSD staff members (usually a Prisoner Reintegration Coordinator (PRC)) to advise us of upcoming scheduled releases. This will allow PRCs (or other staff members) to determine entitlement and arrange a StF payment loaded onto a Westpac card, for their release day.

Unscheduled release from court

A person who is released from court will most likely walk into an MSD Service Centre to apply for their StF payment.

The Service Centre will confirm that they are eligible for a StF payment. Staff will check how best to make the payment (i.e., direct credit to a bank account). If direct credit is not an option, the Service Centre will hold a supply of Westpac StF cards.

Unscheduled releases from prison

Each prison has a supply of **pre-loaded** Westpac debit cards locked in an on-site safe. These cards are retained for unscheduled releases. **Note:** this may include court hearings via audio/visual links.

Department of Corrections staff will provide a pre-loaded Westpac debit card, green MSD payment card (if available), and the MSD handout for the use of the StF card for unscheduled releases if the person is eligible (i.e. has been in custody for 31 or more days).

Corrections will keep a register of Westpac debit cards provided and provide these registers to MSD within 1 business day so that we can reconcile the StF payments onto client records.

Activating Westpac cards

StF payments are made through CMS Hardship. Westpac cards need to be activated, by submitting a task via S2P to Crown Revenue to approve. [Full instructions here.](#)

Key information about the Westpac Steps to Freedom cards

The card is only for a Steps to Freedom payment – it is not an ongoing bank account and can not be re-loaded

- To use the card:
 - At any ATM machine: select **CHEQUE** and use the pin number on the back
 - Eftpos or online purchases: select **CREDIT** and use the Pin number on the back
- Westpac cannot provide any support at branches, or over the phone. Do not refer clients to Westpac. If they require a balance, this can be done at an ATM
- The client handout has more information and should be issued with every card



[Download the client handout \(PDF 270.7KB\)](#)

Error messages and declined transactions

- Error messages usually mean the wrong account has been selected, or wrong pin used
- Check the client is using the correct one – cheque at ATM machines, but credit at EFTPOS machines
- If wrong details are repeatedly used, the card will lock
 - This lock will lift the next day.

- If a card declines, clients should confirm the available balance via an ATM
- If they require hardship assistance until the card unlocks, assess as per business standards

Pending transactions

- This is where the card shows one amount for the 'balance' but a different amount for funds 'available'
- There are several reasons this may occur:
- Type 1: Delay. A client may have paid for a product, e.g. bread from the dairy, but the dairy doesn't process its banking until the next day, so the card balance still shows as \$350 even though the client bought bread.
- Type 2: Hold. Like a bond, some retailers might hold a payment on a client's card. For most of our clients, they'll get the money back within two days. For example:
 - Paying at the petrol pump - please advise clients not to do this as the machine "holds" \$150, no matter the amount of petrol they buy. The remainder won't come back to the card for about 24hrs – to avoid this they should go into the petrol station and pay directly.
 - Hotels often hold the full amount for a stay eg. two nights, even if they only stay for one. The unused payment won't be refunded for at least 24hrs.

Please note: If you escalate card queries to the Crown Revenue team, they can't see what type of "pending transaction" it is in the banking portal. While most retailers sort their banking within two days, we have no way to guarantee when this will happen.

If it is necessary to investigate further please escalate to **all three** email addresses with the full Westpac StF card number (16 digits, on the front of the card), and the client's SWN:

- [s9\(2\)\(a\) OIA](#)
- [s9\(2\)\(a\) OIA](#)
- [Crown Revenue](#) [s9\(2\)\(a\) OIA](#)

Ordering Westpac Steps to Freedom cards

If a Service Centre requires more cards

All sites can order StF cards in S2P.

- Navigate to S2P, 'Add Processing', search for "Crown Revenue"
- Select, "New Cheque Book/Steps to Freedom Cards Request"
- On the next page:
 - Select "Westpac Steps to Freedom card".
 - In the comment field, write how many Steps to Freedom cards your site needs. We recommend:
 - Sites with low StF volumes, estimate StF card order based on expected volumes for 3-6 months.
 - Sites with higher STF volumes (e.g. close to prisons or courthouses), please order cards monthly.

Crown Revenue will ensure a steady supply of cards from Westpac.

If a Corrections facility requires more cards

The delegated contact at each Corrections facility will email MSD Crown Revenue at crown_revenue@msd.govt.nz to ensure one point of contact between agencies.

The number of cards held at each Corrections facility will vary. Prison sites are responsible for ensuring the number of cards ordered is sufficient to cover an MSD site being closed for at least a week.

The card order email must include:

- the number of cards required, will vary from site to site
- the prison name and location for cards to be sent to
- contact details for two Corrections' staff at this prison delegated to order cards.

Please do not contact Crown Revenue on behalf of the prisons.



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Report

Date: 7 November 2019

Security Level: s9(2)(f)(iv)

To: Hon Carmel Sepuloni, Minister for Social Development

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
 - 1.2 refugees or protected persons
 - 1.3 sole parents leaving domestic violence situations
 - 1.4 people who have been long-term hospital or residential care patients
 - 1.5 young people transitioning from care to independence.
- 2 **note** that from 1 July 2020, the refugee re-establishment grant will be increased to a maximum of \$5,000, with the accommodation cap increased to \$3,500 and made non-recoverable
- 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

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- 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)(f)(iv)


Polly Vowles
Acting Policy Manager
Ministry of Social Development

07/11/19
Date


Hon Carmel Sepuloni
Minister for Social Development

11/11/19
Date

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:
 - refugees or protected persons
 - sole parents leaving domestic violence situations
 - long-term (more than six months) hospital or residential care patients
 - people released from prison or remand custody (if they have served a sentence of 31 days or more)
 - young people transitioning from care to independence.
- 11 People must meet the general criteria for a Special Needs Grant to be eligible for a re-establishment grant, such as meeting an income and cash assets test.
- 12 Generally, each application for a re-establishment grant is considered on a case-by-case basis and the grant amount is assessed based on the actual costs incurred by the person and their family. There is a maximum grant amount set for each of the categories.
- 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
Refugee or protected persons ¹	-	-	\$5,000 (with a cap of \$3,500 for accommodation costs)	540
Long-term patients	\$800	\$1,200	\$2,000	243
Sole Parent – Domestic violence	\$800	\$600	\$1,400	153
Transition from care to independence	\$800	\$1,200	\$2,000	71
Total				10,408

¹ The grant as at 1 July 2020 following changes resulting from the refugee quota increase.

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

- 14 Re-establishment grant categories have been introduced at different times over the last 30 years, responding to different re-establishment situations.
- 15 Excluding changes to refugee re-establishment grants which will increase from 1 July 2020, re-establishment grants have not been updated in the last 10 to 30 years (outlined in further detail in Appendix One). This has had an impact on the adequacy of the maximum grant amounts in real terms, particularly given significant increases in housing costs.²
- 16 Re-establishment grants are not indexed to inflation. The current maximum grant amounts for re-establishment grants differ based on the category or reason for the grant, ranging from a maximum total grant of \$350 to \$2,000.
- 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.
- 18 Anecdotal evidence from staff and clients also suggests that the maximum grant amounts are often not adequate to meet the real re-establishment needs of clients and whānau. As part of the changes to the refugee re-establishment grant increase, officials advised that the maximum grant amount needed updating to better reflect the current costs of re-establishment for refugees.
- 19 The inadequacy of the maximum grant limits is reflected in the average proportion of the total grant that is being taken up by people re-establishing themselves. Many people who receive a re-establishment grant are granted the maximum amount in each category. As a proportion of the maximum grant amount, average take up ranges from 72 to 97 percent across the categories (as outlined in the table on the following page). Sole parents leaving domestic violence situations have the highest grant take up of the categories, on average seeking 94 percent of the available accommodation portion of the grant and 97 percent of the "other costs" portion of the grant.
- 20 Across all people who received a re-establishment grant in the 2018/2019 fiscal year, 56 percent received other hardship grants within two months, worth on average a total of \$1,169 per person. Sole parents received the most grants, with an average of 5.4 grants worth a total of \$2,760.
- 21 Both the proportion of take up of the maximum grant and the fact that many people are seeking other hardship assistance at the time (within two months) of re-establishment, further suggests that the current maximum grant limits are inadequate.

² Statistics New Zealand estimates that in the 10 years to June 2018 average annual housing costs (for households) increased 43 percent, to reach \$17,100 for 2017/2018.

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%
Refugee or protected persons	Accommodation \$701	Other \$1,024	Accommodation 88%	Other 89%	63%
Sole parent – Domestic violence	Accommodation \$748	Other \$584	Accommodation 94%	Other 97%	88%
Long-term patients	Accommodation \$577	Other \$969	Accommodation 72%	Other 81%	56%
Transition from care to independence	Accommodation \$720	Other \$918	Accommodation 90%	Other 76%	53%

There are inconsistencies across the grant categories

There are different settings around maximum grants and whether the grant is recoverable...

- 22 There are a number of general inconsistencies across the re-establishment grants categories, depending on the situation in which a person is re-establishing themselves. This includes both the maximum grant payable and whether the grant is recoverable or non-recoverable. These are outlined in Table 1 on page four. The upcoming changes to the re-establishment grant for refugees will further increase inconsistency across the categories, in terms of both the maximum grant available and the non-recoverable nature of the total grant. As of 1 July 2020, the refugee re-establishment grant will be increased to a maximum combined grant of \$5,000, with a cap of \$3,500 for accommodation costs. These changes also make the grant for refugees more flexible than the other grant categories. While the cap of \$3,500 on accommodation costs exists, the grant can be adapted more flexibly to people's circumstances and needs, eg \$4,000 in only 'other' costs or \$2,000 in accommodation costs and \$2,000 in 'other' costs.
- 23 Funding of \$2.13 million per year for this change has already been agreed to as part of the Refugee Quota Programme. This was drawn down from the tagged contingency for increasing the refugee quota (REP/19/8/805 refers).

... as well as some of the other settings

- 24 Some re-establishment grant categories provide extra assistance, such as the refugee re-establishment grant which includes a provision that if an applicant has more than two dependent children, the grant can be increased by \$100 for each dependent child.
- 25 Additionally, each of the grant categories has slightly different provisions regarding whether more than one grant can be made in a certain time period and the cap on each of the grants made in a certain time period. There are also differences in the lists of items that grants can be paid for, for example clothing and toiletry items are only included in some of the grant categories. We will provide you with further advice on this as part of amending the Special Needs Grants Welfare Programme, so that

any list of items reflects current re-establishment costs (eg internet connection), is consistent and not overly prescriptive.

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
Refugee or protected person ³	MSD may make more than one grant if within one year of first arrival.	Total grants must not exceed \$5,000 (with a cap of \$3,500 for accommodation costs)
Long-term patient	MSD may make more than one grant within a 52-week period.	Total grants must not exceed \$2,000
Sole Parent – Domestic violence	MSD may make more than one grant within a 52-week period.	Each grant must not exceed a total of \$800 for accommodation, \$600 for bedding etc (or a combination of these which total \$1,400), but there is no cap on the number of grants
Transition from care to independence	MSD may make more than one grant in a 52-week period and any subsequent period in which the initiative applies to the applicant.	Total grants must not exceed \$2,000

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³ As at 1 July 2020 following changes resulting from the refugee quota increase.

28 Of re-establishment grant recipients:⁴

- Māori represent approximately 51 percent
- New Zealand European represent approximately 21 percent
- Pacific Peoples represent 7 percent
- Unspecified and other represent a total of 21 percent.⁵

29 Māori are overrepresented across all grant categories (excluding the refugee re-establishment grant) but are particularly overrepresented in the receipt of Steps to Freedom, making up approximately 59 percent of all clients receiving the grant. This is generally reflective of the overrepresentation of Māori within prison and the wider justice system.

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

⁵ Those receiving the refugee re-establishment grant identified as either other or unspecified.

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We have identified a provision in the Steps to Freedom Welfare Programme that makes the grant available to immediate family members

- 50 There is a provision in the Special Needs Grants Welfare Programme that can be interpreted to allow Steps to Freedom to be granted not only for the applicant, but also for members of the applicant's immediate family.⁷ For example, an individual may be granted \$350 for themselves, and \$700 for two dependent children, totalling \$1,050.
- 51 The provision, as written in the Special Needs Grants Welfare Programme, is unclear. Initial analysis suggests that this provision is not widely used, known about, or communicated to either MSD staff or the public. Of the 199,900 Steps to Freedom grants made for the period 2005 – 2019, just 35 grants were paid at a rate higher than the maximum of \$350.
- 52 This likely reflects that:
- this provision is not being used and is not known about, and/or
 - most ex-prisoners are single and not caring for dependents when re-establishing themselves (most Steps to Freedom recipients are subsequently granted a single rate of benefit).

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⁷ Clause 15.4.2, Special Needs Grants Programme.

- 57 s9(2)(f)(iv) MSD will need to provide operational clarity to both staff and clients regarding the current provisions to ensure that people are aware of their entitlements. This may increase current take up of Steps to Freedom under this provision.

The nationwide expansion of Oranga Tamariki's Transitions Support Service impacts on the transition from care to independence re-establishment grant

- 58 The initial transition from care to independence re-establishment grant was developed as part of a pilot of transitions services for young people leaving care in 2004. From 2008 to 2019, this transitions service was business as usual, but limited to the Auckland region. The eligibility criteria of this grant requires participation in the transitions service initiative. As the transitions service was only operational in Auckland, the grant was limited to young people transitioning in this area.
- 59 Legislation came into effect on 1 July 2019 that expanded eligibility to Transition Support Services nationally.
- 60 Re-establishment costs are not included in the appropriation for Oranga Tamariki as part of the expanded Transition Support Service, and the responsibility for covering costs such as accommodation and essential items remains with MSD. Although limited financial assistance can be paid to young people by Oranga Tamariki, this can only be accessed when other governmental financial supports have been exhausted.

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- 61 Officials have noted that the Welfare Programme that provides for this re-establishment grant has not been updated to reflect the new transitions service that went live on 1 July 2019. The initiative referred to in the Welfare Programme is now a nationwide service available to approximately 1,000 rangatahi a year who have been in care for a continuous period of at least three months at any time from the age of 14 years and nine months. This includes the following care or custody arrangements:
- a care and protection placement
 - a youth justice residential placement (including remand)
 - Police custody (remand) before turning 18
 - under a remand placement or a prison sentence in the adult justice system before turning 18 years old.

- 62 Amendments will be required to the Welfare Programme to reflect this change.

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Reference: REP/19/11/1117

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).
Refugee or protected persons	1990	The current grant of \$800 for accommodation and \$1,200 for other has not been increased since its introduction but will be increased on 1 July 2020 to a maximum of \$5,000 (with a cap of \$3,500 on accommodation costs).
Sole parent – Domestic violence	2009	The grant has not increased since its introduction.
Long-term patients	1991	The grant has not increased since its introduction.
Transition from care to independence	2005	Re-establishment grants were made available to young people participating in the “transitions from care to independence” pilot project from 2004. The grant has not increased since its introduction. The Auckland-based pilot became business as usual in 2008 and has now been rolled out nationally and part of the Transitions Support Service administered by Oranga Tamariki.