



18 February 2025

Tēnā koe

### **Official Information Act request**

Thank you for your email of 21 January 2025, requesting information about referring clients to budgeting services, including correspondence and data.

I have considered your request under the Official Information Act 1982 (the Act). Please find my decision on each part of your request set out separately below.

- 1. Please provide all guidance provided to MSD staff on how Budgeting Activity Obligations should be applied from 2017 onwards. Please note, we do not need every little mention of budgeting activity obligations to staff, just significant communications about the policy and anything that may have contributed to change.*

Please see attached the following two webpages:

- Building Financial Capability referral processes and resources – Doogle
- Obligation requirements – Doogle

These pages detail the guidance to staff regarding budgeting activities, including situations in which budgeting activities may be appropriate. Budgeting activities are used on a case-by-case basis.

- 2. Please provide all correspondence with and / or direction from Ministers on Budgeting Activity Obligations from 2017 onwards.*

In 2010, Cabinet agreed to make budgeting activities compulsory for those accessing Hardship Assistance more than three times in a year. In 2018/2019, the Ministry's Service Delivery business unit decided to make it no longer compulsory. This required a new Cabinet decision.

Please see attached REP/19/6/559 – Aide memoire – Changes to hardship assistance access requirements for people in need.

The final Cabinet paper is published on our website, here: [www.msd.govt.nz/about-msd-and-our-work/publications-resources/information-releases/cabinet-papers/2019/changes-to-hardship-assistance-access-requirements-for-people-in-need.html](http://www.msd.govt.nz/about-msd-and-our-work/publications-resources/information-releases/cabinet-papers/2019/changes-to-hardship-assistance-access-requirements-for-people-in-need.html)

Since 2019, there has been no new direction to Ministry staff about budgeting activities. When clients who frequently access Advance Payments of Benefit (APB), Special Needs Grants (SNG) or Recoverable Assistance Payments (RAP), staff members may consider whether the client will need to meet a budgeting activity

obligation, but this remains case-by-case. Budgeting obligations are used when it is beneficial for the client.

You can read further details on MAP, here: [www.workandincome.govt.nz/map/income-support/extra-help/advance-payment-of-benefit/budgeting-activity-obligation-01.html](http://www.workandincome.govt.nz/map/income-support/extra-help/advance-payment-of-benefit/budgeting-activity-obligation-01.html)

3. *Please provide data on the following: Total referrals to budgeting services or financial mentors each quarter from 2017 onwards. Please break this down by:*
  - a. *W&I Centre*
  - b. *A breakdown of the total number of SNGs, Advance Payments of Benefit or Recoverable Assistance Payments that clients at each Centre had had over a 12 month period before being sent to a budgeting service*
  - c. *The number of clients declined hardship grants for food at each W&I centre as a result.*

Your request for this data is refused under section 18(f) of the Act, as this is held in notes on individual case files. In order to provide you with this information, Ministry staff would have to manually review a substantial number of files. The greater public interest is in the effective and efficient administration of the public service.

I have considered whether the Ministry would be able to respond to your request given extra time, or the ability to charge for the information requested. I have concluded that, in either case, the Ministry's ability to undertake its work would still be prejudiced.

However, we can provide you with the number of Special Needs Grants for food declined from 1 January 2019 to 31 December 2024, for the decline reason 'did not participate in budgeting'. Please see **Table One** in the attached **Appendix**.

Where clients are considered 'high hardship' or receive multiple hardship payments, budgeting services can be recommended as a good way to help clients manage their money. These are case managed clients and decisions to refer a client to a budgeting service are made on a case-by-case basis, if a staff member decides this client would find it beneficial. If a client fails to do this, the next request may be declined on the basis of not meeting these expectations.

Please note that any activities assigned through a hardship application are separate to a clients benefit obligations, and they are not connected to the Traffic Light System.

4. *We would also like to better understand the other 'Decline Reasons'. Can you please provide a short explanation of each decline reason and a common example.*

To get a Special Needs Grant, clients must meet certain qualifications. You can read about these qualifications here: [www.workandincome.govt.nz/map/income-support/extra-help/special-needs-grant/qualifications.html](http://www.workandincome.govt.nz/map/income-support/extra-help/special-needs-grant/qualifications.html)

Decline reasons are based off when clients do not meet these qualifications. For example, if a client is declined an SNG because they 'did not participate in

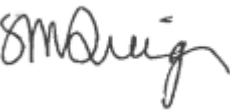
budgeting', the client has not met the qualification of meeting the hardship obligation that has been applied to them.

I will be publishing this decision letter, with your personal details deleted, on the Ministry's website in due course.

If you wish to discuss this response with us, please feel free to contact [OIA\\_Requests@msd.govt.nz](mailto:OIA_Requests@msd.govt.nz).

If you are not satisfied with my decision on your request regarding budgeting activities, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or 0800 802 602.

Ngā mihi nui

pp. 

Anna Graham  
**General Manager**  
**Ministerial and Executive Services**

## Building Financial Capability referral processes and resources

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Before you refer a client to a Building Financial Capability (BFC) service, talk to them about their situation. There may be something else that we can support them with. Make sure they are getting their full and correct benefit entitlements. This will enable the BFC service provider to assess the client's financial capability and situation accurately.

On this Page:

### Only refer clients to MSD-funded BFC services

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It is very important that we avoid referring our clients to BFC services that MSD no longer funds.

Please make sure you ONLY refer clients to one of our MSD-funded BFC providers (see list and map links below):

A handy map of BFC locations is available [here](http://dooogle/documents/resources/helping-clients/procedures-manuals/work-and-income/core-procedures/building-financial-capability-services/bfc-core-providers-map.pdf) [http://dooogle/documents/resources/helping-clients/procedures-manuals/work-and-income/core-procedures/building-financial-capability-services/bfc-core-providers-map.pdf]

The list of MSD-funded providers is available [here](http://dooogle/resources/helping-clients/procedures-manuals/work-and-income/core-procedures/building-financial-capability-services/bfc-core-providers.html) [http://dooogle/resources/helping-clients/procedures-manuals/work-and-income/core-procedures/building-financial-capability-services/bfc-core-providers.html]

If there are no MSD-funded BFC services offered locally, you and your team can instead refer clients to MoneyTalks.

MoneyTalks is an integral part of our suite of MSD-funded BFC services and will connect clients with the right support for them.

### Tips to identify clients to refer to a BFC service

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The difference between referring a client to a BFC provider or MoneyTalks is whether the client will benefit from a face-to-face, one-to-one engagement with a financial mentor and is likely to continue to engage in the financial capability process:

Don't wait until a client gets into dire financial difficulties before you talk to them about BFC services

You can refer a client to a BFC provider at any time (the earlier the better) for one-to-one financial mentoring and MoneyMates peer-led group support

If they're not ready yet, you can encourage the client to self-refer when they are ready (this could be via MoneyTalks or a local BFC provider)

The client is having a tough time financially and you are seeing a lot of requests for one-off hardship assistance

Check the Family Services Directory for your local provider/s, and refer clients to the provider best suited to their needs

Encourage clients to use BFC services – so they become more empowered and independent.

Note: If for some reason the client can't get an appointment with a local BFC provider, or no BFC services are offered in your area, you can refer the client to [MoneyTalks](https://www.msd.govt.nz/what-we-can-do/providers/building-financial-capability/moneytalks/index.html) [https://www.msd.govt.nz/what-we-can-do/providers/building-financial-capability/moneytalks/index.html], which is also a BFC service.

## Building a standard and consistent referral process

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There is no right or wrong way to refer a client to BFC services as providers work differently from site to site. However, it is necessary to have some standard and consistent referral processes between Work and Income and BFC providers.

If we want to make a real difference in getting clients to engage with BFC services and build their financial capability, we need to make it a better experience for them overall. When you refer, discuss what services the BFC provider can offer. You should also provide clients with information about where services are located and contact details of BFC services and if feasible make the appointment.

You should only refer clients to an MSD funded BFC provider. If there are no MSD funded BFC services offered in your area, you can refer them to [MoneyTalks](https://www.msd.govt.nz/what-we-can-do/providers/building-financial-capability/moneytalks/index.html) [https://www.msd.govt.nz/what-we-can-do/providers/building-financial-capability/moneytalks/index.html], which is also an MSD funded BFC service.

### When do you refer a client to a BFC service?

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The referral process is about referring the right client at the right time. We want to encourage clients to access BFC services at the earliest opportunity - when the time is right for them. You could refer them to a BFC service when they first apply for a benefit or encourage them to self-refer when they are ready – the earlier the better. This could be via MoneyTalks.

Before you refer a client to a BFC service, talk to them about their situation. There may be something else that we can support them with. Make sure they are getting their full and correct benefit entitlements. This will enable the financial mentor to assess the client's financial situation accurately.

## Referral form 'Your referral to a BFC service'

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There is a standard referral form agreed to between Work and Income and the BFC providers available for case managers to use when referring a client to a BFC provider.

This referral form should replace any other form being used.

[BFC referral form to use when referring clients \(Word 90KB\)](http://doogie/documents/resources/helping-clients/forms-templates/work-and-income/forms/bfc-referral-form-10-18.doc) [<http://doogie/documents/resources/helping-clients/forms-templates/work-and-income/forms/bfc-referral-form-10-18.doc>]

**Important note:** the client is not required to sign this form as it informs the client that Work and Income and BFC providers will only be sharing information about the result of their BFC meeting.

## What a client needs for their BFC meeting

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When you refer, you should provide clients with information about what BFC services offer and how financial capability is different from budgeting.

You should also provide clients with information about where services are located and contact details of BFC services and if feasible make the appointment. This information can be recorded on the referral form.

The client or partner being referred requires a breakdown of all the benefit payments they are receiving from Work and Income plus debt balances and any deductions being made and all costs recorded in our systems.

Most clients access MyMSD, but it doesn't provide all the information they need and the information it does have is scattered across different screens. To support the client and the provider, you could also provide:

the Weekly Breakdown of Benefit ECS letter  
print outs of SOFSI for offsets and PYECI for any deductions.

**Important note if there is a partner** - this Work and Income information is only relevant if the partner shares finances with the client being referred.

If they do, advise the client they will need to arrange for their partner to give authorisation for us to share their partner's information with the client being referred (this can be verbal). Alternatively you could send the information to the partner and they can choose what to do with their own information.

You must record the authorisation/outcome in the BFC Client Event Note. For more information, see Sharing client/partner information must be authorised.

Remind the client to take the following to their BFC meeting:

MyMSD information – check they use MyMSD  
recent bank transaction lists  
pay slips or a record of their income  
their regular bills  
a list of the people/places they owe money to and how much they owe e.g. parents, Farmers, The Warehouse.

## Sharing client/partner information must be authorised

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### Sharing a partner's information must be authorised by them

You can only provide the Work and Income information for the client (or partner if any) who is being referred.

If there is a partner, advise the client they will need to arrange for their partner to give their authorisation to share their information with anyone, including the client they receive a joint benefit with (can be verbal consent). You should explain to the partner what information you're sharing, to who and why i.e. BFC referral.

You must record this authorisation in the BFC Client Event Note. You can then share their information with the client being referred.

### Sharing information with the BFC provider must be authorised

You can only provide the Work and Income information to the BFC provider if the client or partner who is being referred authorises this (can be verbal consent).

If there is a partner, advise the client they will need to arrange for their partner to give their authorisation to Work and Income to share their information with the BFC provider (can be verbal consent). You should explain to the partner what information you're sharing, to who and why i.e. BFC referral.

You must record this authorisation in the BFC Client Event Note. You can then share their information with the BFC provider.

## **Making an appointment with the BFC provider**

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There is no right or wrong way to refer a client to a BFC provider as each provider works differently from site to site.

Your BFC champions can determine what works best for your site and your local providers on how the clients get an appointment with the provider. For example:

you make the appointment for the client or  
the client contacts the provider to arrange the best time that suits them.

You or the client can use the referral form to record the meeting information.

You should only refer clients to a contracted BFC provider. If there are no BFC services offered in your area, you can refer them to [MoneyTalks \[https://www.msd.govt.nz/what-we-can-do/providers/building-financial-capability/moneytalks/index.html\]](https://www.msd.govt.nz/what-we-can-do/providers/building-financial-capability/moneytalks/index.html), which is also a BFC service.

## **Feedback loop from BFC providers to Work and Income**

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Where you refer a client or partner to a BFC provider, you can contact the BFC provider (via email or phone) to discuss the result of that meeting. For example:

client didn't attend  
client attended but no further engagement requested  
attended and is scheduled for further sessions.

Alternatively, the BFC provider can contact the referrer and advise the result of the meeting.

You must record the result of the BFC meeting in the BFC Client Event Note.

## **Clients can self-refer to the BFC service**

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Clients can choose to self-refer to BFC services at any time. They can contact a local BFC provider directly or they can contact the free financial helpline [MoneyTalks \[https://www.msd.govt.nz/what-we-can-do/providers/building-financial-capability/moneytalks/index.html\]](https://www.msd.govt.nz/what-we-can-do/providers/building-financial-capability/moneytalks/index.html).

Trained financial mentors will provide free and confidential advice and can also connect clients with BFC providers in their own community:

Freephone: 0800 345 123

Text: 4029

Email: [help@moneytalks.co.nz](mailto:help@moneytalks.co.nz) [<mailto:help@moneytalks.co.nz>].

Online chat and more information: [www.moneytalks.co.nz](http://www.moneytalks.co.nz) [<http://www.moneytalks.co.nz>].

## **Referral process for clients who are trespassed or managed by the Remote Client Unit (RCU)**

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Clients who are trespassed from Work and Income sites or managed by the Remote Client Unit (RCU) and want to access the BFC services must be referred to MoneyTalks.

## **BFC Client Event Note**

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The BFC client event note types in CMS are designed to capture and find documents relating to BFC.

The Event Type = Case Management and the Event sub-type = Building Financial Capability.

The note types are as follows:

Budget Plan 1 My Money

Budget Plan 2 My Goals

Budget Plan 3 Managing Your Money

BFC Comments  
Feedback from BFC provider  
Other Budgeting Services  
Referred to Financial Mentor  
Referred to Money Mates

## Resources

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Tools and links for you to use when working with clients in financial hardship:

[Work and Income Budget Plans \[https://www.workandincome.govt.nz/eligibility/living-expenses/managing-your-money.html#null\]](https://www.workandincome.govt.nz/eligibility/living-expenses/managing-your-money.html#null) can be used with clients you know are having a tough time with managing their money (even if they're not applying for hardship grant). Clients can access the budget plans any time on the Work and Income website.

[Managing your money \[https://www.workandincome.govt.nz/eligibility/living-expenses/managing-your-money.html#null\]](https://www.workandincome.govt.nz/eligibility/living-expenses/managing-your-money.html#null)

[Community Finance Initiative \[https://www.msd.govt.nz/what-we-can-do/providers/building-financial-capability/community-finance-initiative.html\]](https://www.msd.govt.nz/what-we-can-do/providers/building-financial-capability/community-finance-initiative.html) aims to help people in financial hardship to borrow safely. It provides affordable credit for people on low incomes (benefit recipients or wage earners). Loans can be used for purchasing higher cost assets (e.g. motor vehicles or for medical and health expenses).

People can only apply for these loans if we or other government agencies are not providing similar services. You can advise clients about this initiative if Work and Income is not able to help - check out the criteria. It has limited availability across New Zealand.

[Sorted website \[https://sorted.org.nz/\]](https://sorted.org.nz/) is a free service powered by CFFC (Commission for financial Capability), the government-funded independent agency dedicated to helping New Zealanders get ahead financially.

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**Content owner:** [Family and Community Services](#) **Last updated:** 29 November 2024



## Obligation requirements for partners, failure to meet obligations, exceptional circumstances and when reasonable steps not required

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When a client and/or their partner is applying for hardship assistance, we must apply the appropriate reasonable steps obligations including a compulsory budgeting activity, this includes adding and resulting plan items in CMS.

On this Page:

### Applying obligations to the partner

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Reasonable steps obligations including budgeting activities can be applied to partners as well as clients. It may be appropriate where

the need is for both the client and partner

the partner has contributed to the need

actions by the partner are adversely affecting the clients financial position

#### Steps

case manager advises partner about reasonable steps obligations including a compulsory budgeting activity that need to be completed before their next SNG/Advance/RAP application (unless the partner has exceptional circumstances)

case manager adds plan items for reasonable steps and compulsory budgeting

[Adding plan items and resulting reasonable steps \[http://doogle/resources/helping-clients/procedures-manuals/work-and-income/extra-help/hardship-assistance/hardship-proces-adding-plan-items-and-resulting-reasonable-steps.html\]](http://doogle/resources/helping-clients/procedures-manuals/work-and-income/extra-help/hardship-assistance/hardship-proces-adding-plan-items-and-resulting-reasonable-steps.html)

[MAP - Applying obligations to partners \[http://doogle/map/income-support/extra-help/special-needs-grant/identification-document-fees-01.html\]](http://doogle/map/income-support/extra-help/special-needs-grant/identification-document-fees-01.html)

### Failure to take reasonable steps including budgeting activities

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Generally clients who fail to complete reasonable steps including a budgeting activity should have their application declined unless they have exceptional circumstances.

[MAP - Qualifications Special Needs Grant \[http://doogle/map/income-support/extra-help/special-needs-grant/qualifications.html\]](http://doogle/map/income-support/extra-help/special-needs-grant/qualifications.html)

[MAP - Qualifications Advance Payment of Benefit \[http://doogle/map/income-support/extra-help/advance-payment-of-benefit/qualifications.html\]](http://doogle/map/income-support/extra-help/advance-payment-of-benefit/qualifications.html)

[MAP - Qualifications Recoverable Assistance Payment \[http://doogle/map/income-support/extra-help/recoverable-assistance-payment/qualifications.html\]](http://doogle/map/income-support/extra-help/recoverable-assistance-payment/qualifications.html)

[Adding plan items and resulting reasonable steps \[http://doogle/resources/helping-clients/procedures-manuals/work-and-income/extra-help/hardship-assistance/hardship-proces-adding-plan-items-and-resulting-reasonable-steps.html\]](http://doogle/resources/helping-clients/procedures-manuals/work-and-income/extra-help/hardship-assistance/hardship-proces-adding-plan-items-and-resulting-reasonable-steps.html)

### Exceptional circumstances

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There is discretion to make payments where a client has exceptional circumstances. This includes circumstances that prevented a client from completing these reasonable steps. The exceptional circumstance reasons that can be accepted include:

unforeseen hospitalisation

seriously sick or injured

bereavement of immediate family

emergency or adverse event

victim of violent crime or domestic violence

If these situations do not apply staff can consider whether the reason provided:

is an unforeseen out-of-the ordinary event that could not be planned for

is beyond the client's control or

sets the client apart from others in a similar situation.

#### Note



SNG/Advance/RAP application form must be approved and signed by a Service Centre Manager  
case manager adds a Client Event outlining the circumstances.

[MAP - SNG Failure to meet obligations in exceptional circumstances \[http://doogle/map/income-support/extra-help/special-needs-grant/accompanying-medical-treatment-overseas-01.html\]](http://doogle/map/income-support/extra-help/special-needs-grant/accompanying-medical-treatment-overseas-01.html)

[MAP - Advance Failure to meet obligations in exceptional circumstances \[http://doogle/map/income-support/extra-help/advance-payment-of-benefit/completing-a-budgeting-worksheet-01.html\]](http://doogle/map/income-support/extra-help/advance-payment-of-benefit/completing-a-budgeting-worksheet-01.html)

[MAP - RAPs Failure to meet obligations in exceptional circumstances \[http://doogle/map/income-support/extra-help/recoverable-assistance-payment/budgeting-activity-obligation-01.html\]](http://doogle/map/income-support/extra-help/recoverable-assistance-payment/budgeting-activity-obligation-01.html)

## Not requiring clients to complete reasonable steps

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Reasonable steps obligations including budgeting activities are likely to be of some benefit to most clients, most of the time. If you determine that there are no possible reasonable steps clients could take, they will not need to meet this obligation. In most cases there will be steps clients can take to improve their situation. In these cases Client Event notes will need to be added under the SNG/Adv/RAP note to advise the reasons

[MAP - Compulsory budgeting activity \[http://doogle/map/income-support/extra-help/special-needs-grant/ambulance-fees-01.html\]](http://doogle/map/income-support/extra-help/special-needs-grant/ambulance-fees-01.html)

## Verification

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Clients will be required to provide written evidence that they have completed or are completing the relevant budgeting activity. This could include

- a completed budgeting worksheet - For example the budget worksheet in the brochure 'Managing your money' or the NZ Budgeting Federation worksheet

- a letter from a budgeting service or a plan they have developed with a budgeting service.

Clients will be requested to provide evidence that they have taken reasonable steps, whenever possible. It may not always be possible to have written evidence depending on the reasonable steps they have taken. However evidence could include

- a bank statement
- a power bill
- invoice or contract.

Please record details of the reasonable step/s and evidence (where provided) in CMS when resulting the plan item.

[Adding plan items and resulting reasonable steps \[http://doogle/resources/helping-clients/procedures-manuals/work-and-income/extra-help/hardship-assistance/hardship-proces-adding-plan-items-and-resulting-reasonable-steps.html\]](http://doogle/resources/helping-clients/procedures-manuals/work-and-income/extra-help/hardship-assistance/hardship-proces-adding-plan-items-and-resulting-reasonable-steps.html)

# Aide-mémoire



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

## Cabinet paper

**Date:** 21 June 2019

**Security Level:** Cabinet Sensitive

**For:** Hon Carmel Sepuloni, Minister for Social Development

**File Reference:** REP/19/6/559

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## Changes to hardship assistance access requirements for people in need

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<b>Cabinet Committee</b>	Social Wellbeing
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<b>Date of meeting</b>	26 June 2019
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<b>Minister</b>	Hon Carmel Sepuloni, Minister for Social Development
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<b>Proposal</b>	<p><b>The Cabinet paper “Changes to hardship assistance access requirements for people in need” proposes SWC rescinds a 2010 Cabinet decision to allow an operational change MSD has implemented to make it easier for clients in need to access hardship assistance.</b></p>
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On 13 May 2019, Minister Henare took the operational change to SWC as an oral item on your behalf. The Cabinet paper provides further information.

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<b>Suggested talking points</b>	
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**MSD has made changes to how hardship obligations are applied**

- On 18 March 2019, MSD made changes to hardship assistance so it is no longer compulsory for people who applied for hardship assistance three or more times in a 12 month period to undertake budgeting activities before receiving further hardship assistance.
  - Case managers now have discretion to refer people to budgeting activities when they think it would be useful, so people can still get budgeting help when they need it.
  - MSD found that few people who were required to undertake these activities got value from them, and that compulsory obligations acted as unnecessary barriers to accessing hardship assistance for people in need.
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- This change is in line with the Government's commitment to making the social welfare system fairer and more accessible for all New Zealanders.

**This change was previously brought to SWC as an oral item**

- The change is within MSD's legislative authority, but inconsistent with a 2010 Cabinet minute.
- Minister Henare brought this to SWC as an oral item on 8 May, asking Cabinet to rescind the 2010 Cabinet decisions.
- My officials have since clarified with the Cabinet Office that it is best to seek a decision through a formal Cabinet paper.
- My officials are available to talk through the process.

**Back pockets**

*If they ask if a Cabinet decision was required in 2010*

- No. The 2010 minute was part of a programme of changes, some of which were fiscal or legislative and therefore required Cabinet decisions.
- The 2010 changes around hardship obligations were included in that programme but were within MSD's legislative authority to make anyway.

*If they ask what the effect of removing the compulsory obligation has been*

- It's too early to tell.
- MSD expects a decline in the number of no-shows at Building Financial Capability sessions, which providers anecdotally attribute to Work and Income referrals.
- There are also plans to roll out processes to improve the number of self-referrals, but these are ongoing.

*If they ask what other support is available for people applying for multiple hardship grants*

- It is standard procedure for case managers to review full and correct entitlements when anyone makes a hardship application.
  - If case managers think people would benefit from budgeting activities they will still require them to go.
  - The idea is to give case managers the tools to respond to real situations rather than having a one size fits all approach.
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**Key issues**

On 18 March 2019, MSD changed operational policy so that it is no longer compulsory for people who have applied for hardship assistance three or more times in a 12-month period to undertake budgeting activities before they can get further hardship assistance. Instead, the hardship obligations can be applied at the discretion of case managers where they consider people would benefit from budgeting support.

This change is contrary to a 2010 Cabinet minute which set operational policy under the previous Government [CAB Min (10 7/10) refers]. Cabinet approval to rescind the decision is required.

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**Our advice****Removing compulsory hardship obligations is consistent with Government's approach to social welfare**

Changing hardship obligations from compulsory to discretionary is consistent with the Government's commitment to ensuring the social welfare system is accessible and fair. The change also supports MSD's efforts to improve its service culture by removing unnecessary barriers to access for people in need.

Frontline experience was that attending budgeting activity services under compulsion and at the point of crisis did not result in a positive behaviour change.

**The change to operational policy is within MSD's legislative authority despite the 2010 Cabinet minute**

On 8 May 2019 Minister Henare took this matter to SWC as an oral item on the advice of MSD [REP/19/3/219 refers], asking SWC to rescind the 2010 Cabinet minute. Questions were asked about usual process when it comes to changes to Cabinet decisions of previous governments. Cabinet requested further information [CAB-19-MIN-0216.01 refers].

**Cabinet decisions making hardship obligations compulsory were not required in 2010**

The 2010 Cabinet minute set out a programme of changes to financial assistance, some of which required legislative or fiscal decisions. Hardship obligations were considered as part of the overall programme but did not in themselves require Cabinet decisions as they were within MSD's legislative authority.

**Number of 3+ hardship applications has grown since 2016/17**

In 2016/17 the number of clients presenting for assistance three or more times started to grow and has continued to do so in every year since. Repeat hardship applications were stable in the three years prior.

The top ten types of assistance requested for these clients, in order of highest average growth over the last three years is:

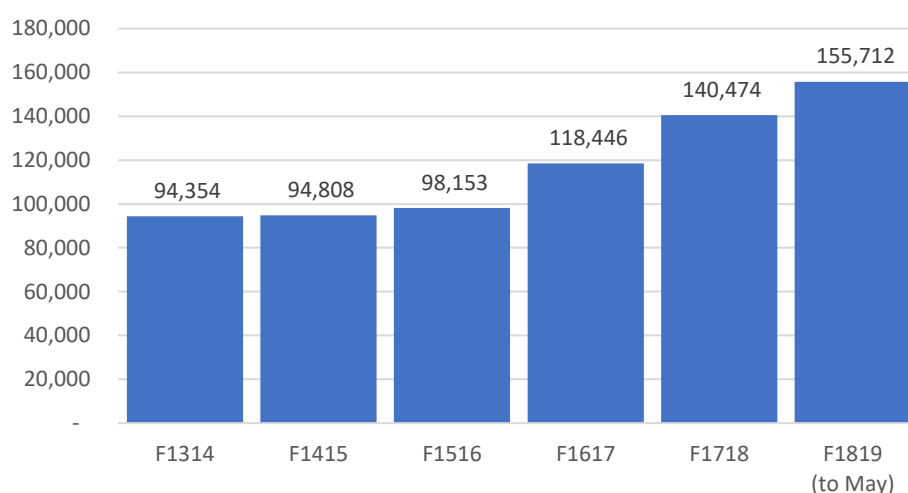
- a) Food
- b) Other Emergency
- c) Emergency Housing
- d) Clothing
- e) Car Repairs
- f) Electricity Assistance

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- g) Assistance During Stand-down
  - h) School Uniforms
  - i) Rent Arrears
  - j) School Stationary

While Emergency Housing features high on the list, removing it from the assessment of clients with multiple grants makes less than 1% difference to the number of clients needing high levels of assistance. This indicates that these clients are coming in for additional assistance beyond the emergency housing need.

The growth in repeat clients appears to be slowing – in the current year to May we saw an additional 15,000 clients need multiple grants, compared to around 21,000 in the previous two years.

**Clients Receiving 3 or more Hardship Payments in Financial Year**




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#### **Timeline**

*1 March 2010*

The Cabinet of the previous Government agrees to make hardship obligations compulsory for people who have applied for hardship assistance three or more times in a 12-month period.

*18 March 2019*

MSD changes obligation from compulsory to discretionary.

*12 April 2019*

MSD advises you to take oral item to SWC, seeking agreement to rescind the 2010 Cabinet decisions.

*8 May 2019*

Minister Henare takes oral item to SWC on your behalf.

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*13 May 2019*

Cabinet refers the item back to SWC, seeking further information.

MSD subsequently clarifies, in consultation with the Cabinet Office, that a formal Cabinet paper is the best approach.

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