

Draft Terms of Reference for the Welfare Overhaul and Welfare Expert Advisory Group

These terms of reference (TOR) set out in the following sections describe:

- Part A: Overhaul of the welfare system – the proposed objectives and scope of the overhaul
- Part B: Welfare Expert Advisory Group – function and operations

General matters

1. This document is a draft Terms of Reference. It will be finalised and agreed by Cabinet following further consideration by the Minister for Social Development, with the Chair of the Welfare Expert Advisory Group (WEAG).

Review of the Terms of Reference

2. This document will be reviewed by the Minister for Social Development in December 2018 to ensure it remains fit for purpose, following the conclusion of phase one.
3. The Minister will consult with Cabinet on any substantive proposed change to the Terms of Reference.
4. Additionally, these Terms of Reference may be reviewed and amended by Cabinet at any time.

Part A: Overhaul of the welfare system

Objective

6. To deliver advice to the Government on priority areas for reform required to deliver a welfare system that ensures people are treated with and can live in dignity, can participate in their communities, have an adequate income and standard of living and the skills and training to secure meaningful employment.
7. Any proposed changes to the welfare system should also reflect and contribute to the Government's priority to achieve child poverty reduction targets.

Proposed phased approach

8. The welfare system is complex, with interacting parts. The welfare overhaul work programme will be phased to ensure it is feasible.

Phase One

9. The WEAG will be responsible for delivering advice to the Government on:
 - recommendations to amend the legislative purpose and principles of the welfare system
 - advice on priority areas to consider for reform, for example:
 - the delivery of full and correct entitlement
 - eligibility
 - abatement
 - sanctions and obligations
 - housing assistance
 - third tier assistance such as the Disability Allowance and special needs grants
 - support and assistance for higher needs groups
 - recommendations (including costings) on a priority change, or changes, that could be progressed through Budget 2019.

Phase Two

10. Phase two would:
 - build on phase one priority areas and recommendations, focusing on detailed and considered advice and recommendations on how the proposed Social Security Act (SSA) purpose and principles should be enacted system wide
 - develop further advice on priorities that were not able to be progressed in phase one
 - provide investment-ready advice in November 2019, to support decisions on Budget 2020.
11. As noted at paragraph 2, before Phase two commences, the Minister for Social Development will review these Terms of Reference, to reflect the outcomes of phase one and to ensure they remain fit for purpose for phase two.

Scope

12. The WEAG should examine and provide advice on change to the fundamentals underpinning the welfare system, understand how it interacts with other systems such as the tax, housing and education systems, and have a focus on improving outcomes for Māori, Pacific People and disabled people and people with health conditions.
13. The welfare overhaul scope will cover the breadth of the welfare system for working-age people, including main benefits, second and third tier financial support, Working for Families, and non-financial support provided through the welfare system.
14. In considering the principles and purpose of the system and priorities for reform, I expect the WEAG to give due consideration to:
 - a system that is easy to understand, so people know about and receive the assistance they are entitled to
 - a fit for purpose system that can respond to the social, economic and technological changes as previously outlined
 - income adequacy and standard of living for beneficiaries and the working poor
 - transitions to meaningful and sustainable employment
 - outcomes that may not be recognised through paid employment for example, participation in the community and voluntary work
 - the fiscal sustainability of their recommendations.

Interactions with other systems

15. The WEAG should give due consideration to interactions between the welfare overhaul and related Government work programmes and systems such as the Tax Working Group, Child Wellbeing Strategy (including the Child Poverty Strategy), the Housing Strategy, and the Student Support System.

Out of scope

16. The following are outside the scope of the Group's review:
 - New Zealand Superannuation (NZS)
 - Veteran's Pension and War Pensions
 - Student Support System
17. While it is proposed that recommendations relating to the above areas are excluded from scope, the WEAG may require flexibility to consider some matters relating to those systems. This may include areas relating to issues created as a result of interfaces between the systems, or areas where clients may experience the same issue or complaint across the systems.

Engagement

18. The WEAG must take a participatory and independent approach that prioritises the experience of people interacting with the welfare system.

19. The WEAG will be required to undertake appropriate consultation with the public and key stakeholder groups, including but not limited to iwi and Māori, Pacific People, and disabled people.

B: Welfare Expert Advisory Group

Purpose

20. The Welfare Expert Advisory Group (WEAG) has been established to provide independent advice to the Government on the overhaul of the welfare system (described at Part A).

Deliverables

21. The WEAG will deliver their final advice to Ministers by November 2018 in a written report.
22. A decision on the approach for phase two will be made by Ministers in December 2018, following consideration of the WEAG's advice.

Accountability

23. The Group is accountable to the Minister for Social Development for the quality and timeliness of its advice and reports.
24. The Senior Officials Group (see paragraphs 43 – 44 below) is accountable to the Minister for Social Development for:
 - the provision of an appropriately resourced Secretariat, and
 - supporting the Secretariat to deliver timely, good quality advice to the WEAG.

Membership

25. The Group shall consist of no more than 11 members, including the chair.
26. The Chair and members of the group are appointed by the Minister for Social Development following consideration by Cabinet.
27. Members shall be appointed for a period determined by the Minister for Social Development.
28. The Minister for Social Development may remove a member of the Expert Panel from that office by issuing written notice stating the date from which the removal of the member is effective. The Minister may, at his or her discretion, consult with the chair before removing a member of the Expert Panel. The chair may be removed from the WEAG by the Minister for Social Development issuing written notice stating the date from which the removal of the chair is effective.
29. Any member of the Expert Panel may tender their resignation at any time by way of letter addressed to the Minister for Social Development.
30. Members are expected to act in good faith, with integrity and with reasonable care in performing their duties on behalf of the Expert Panel.

Fees

31. Fees are determined under the Cabinet Fees Framework set out in Cabinet Office Circular CO (12) 06.

Conduct of Business

32. The Chair of the WEAG will agree an approach with the Minister for Social Development on how it will carry out this work programme. These arrangements will be reflected in the final Terms, as required.
33. The WEAG must actively recognise and address Treaty of Waitangi interests throughout their work.

Acting Arrangements

34. If the Chair is unavailable to attend a meeting, they must nominate a member to act in their place.
35. Members may not delegate attendance at meetings.

Quorum for meetings

36. A meeting quorum will be no less than two thirds of members of the WEAG, including the Chair.

Advisors

37. The WEAG has the ability and will be funded to access independent advisors to assist with their work, for example, to commission specific research or analysis.

No Surprises

38. In order that the WEAG can fully execute its functions it is expected that the Ministry of Social Development, the Treasury and Inland Revenue will support their role by operating a no surprises approach and providing timely advice and information to the WEAG and Secretariat.

Information Requests

39. All advice or information produced by the Group or provided by government agencies will be subject to the provisions of the Official Information Act 1982. All advice provided by government agencies to Ministers and or Chief Executives will be subject to the provisions of the Official Information Act 1982.
40. Decisions on the release of information will be determined after consultation with all interested parties.

Conclusion of the WEAG

41. The WEAG will operate until 21 December 2018. At that time, the Minister for Social Development will make a decision about next steps for the welfare overhaul, including whether the WEAG should be reappointed.

Secretariat

Function and role

42. The WEAG will be supported by a Secretariat, made up of seconded officials from the Ministry of Social Development, the Treasury and Inland Revenue. The Ministry of

Business, Innovation and Employment may choose to second a staff member, when the scope of the welfare overhaul is finalised.

43. The Secretariat will be responsible for assisting the WEAG to complete its work by responding to requests from EAG, seeking information and advice from agencies, leading the process to brief WEAG members on issues and options within the welfare system, and drafting WEAG's final report.
44. The WEAG may request advice and analysis from the Secretariat on any matter within the scope of its Terms of Reference.
45. The WEAG may request that the Secretariat develops advice that is independent from agency perspectives.

Appointment of Secretariat members

46. Secretariat members will be seconded from MSD, Treasury and Inland Revenue, and the Ministry for Business, Innovation and Employment if required.
47. Decisions on appointments to the Secretariat will be made by respective government agencies. The Chair will have an opportunity to provide feedback on proposed candidates, but has no decision-making right.

Relationship between the Secretariat and WEAG

48. The Director of the Secretariat will be accountable to the Chair of the WEAG.

Senior Officials Group

49. A Senior Officials Group will be established to support the successful delivery of the overhaul work programme, by providing coordinated leadership and supporting the work of the Secretariat.
50. The WEAG Chair may request opportunities to meet with the Senior Officials Group to discuss matters relating to the welfare overhaul work programme, for example, the operations of the Secretariat or to request advice.

Conflicts of interest

51. Members should avoid situations that might compromise their integrity or otherwise lead to conflicts of interest.
52. The WEAG will put in place appropriate procedures, including a register of interests, to ensure that any potential conflicts of interest that may arise are identified and managed effectively.

Authority

53. The Group is an advisory group and has no authority to direct any Government department or agency, employ staff, enter into contracts, or make commitments or undertakings on behalf of any Minister or Chief Executive.

Confidentiality

54. The Group should engage as much as possible with individuals and organisations to inform the review of the welfare system. The Group may discuss and agree whether information is for sharing, or is to be kept private or confidential, subject to the provision that all information provided by Government can be shared unless indicated otherwise.
55. Members of the Group may be presented with a range of private or confidential information, including on aspects of government agencies' business as well as commercially sensitive information. The expectation is that all Members will act professionally respecting each other's and the Government's interests.
56. The work of the Group may also involve personal information. All Members will ensure that the collection, use, disclosure, and storage of personal information in connection with the Group is consistent with the Privacy Act 1993. These obligations continue, as appropriate, beyond membership in the Group.

Intellectual Property

57. Government agencies, at their discretion may use reports or other work products supplied or developed by the Group.
58. Nothing will affect the rights of a Member or their employer in the intellectual property owned by that Member or their employer prior to entering this engagement or developed by the Member other than in the performance of this engagement.