



Children can't live on promises:

A 2021 stocktake of implementation of
the Welfare Expert Advisory Group's
2019 recommendations

About Child Poverty Action Group

Child Poverty Action Group (CPAG) is an independent, registered charity founded in 1994 which works to eliminate child poverty in Aotearoa New Zealand through research, education and advocacy. CPAG highlights that the country's high rate of child poverty is not the result of economic necessity, but is due to policy neglect and a flawed ideological emphasis on economic incentives, exacerbated by racism and discrimination. We envisage an Aotearoa where our society shows respect, generosity and care for all children; and where all children can flourish free from poverty.

We focus on eliminating poverty for children because:

- Overall effects of poverty are worst for children: Child development is adversely affected by poverty, and poverty can lead to detrimental effects for an entire life.
- Children are more likely to experience poverty: Children are over-represented among those in deprived households.
- Children don't get a say: Decisions affecting children are made without their input; only adults can vote for parliamentary representation

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Executive Summary

In 2018, the Labour-led Coalition Government convened the Welfare Expert Advisory Group (WEAG) to provide advice on a programme of 'overhaul' for the welfare system. The Government's vision for the welfare system was clear: a system that would *"ensure that people have an adequate income and standard of living, are treated with and can live in dignity and are able to participate meaningfully in their communities"* (New Zealand Government, 2018).

Following extensive consultation and review, WEAG, in their February 2019 report [Whakamana Tāngata](#), called for fundamental transformation of the approach to welfare in Aotearoa. They stated that *"we cannot solve the existing problems, let alone create a system that will serve future needs, through further ad hoc amendments or marginal changes"* (p.55). A significant proportion of children living in deep poverty in Aotearoa are supported by the welfare system, and therefore CPAG welcomed Whakamana Tāngata, and hoped for the transformational change suggested.

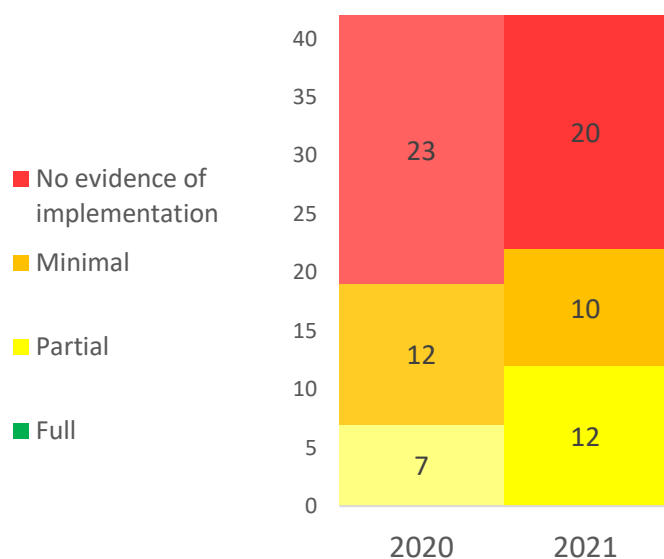
This report serves as an update of progress toward the Government's vision since our [initial stocktake](#) of WEAG recommendations in November 2020. There have been some positive announcements in the year to November 2021 which will have some, albeit modest, impact on the lives of some children and tamariki living in low-income households. These include:

- Two-phase benefit increases (rolled out by April 2022)
- Increases to benefit abatement thresholds
- Significant increases in investment in Māori housing
- Reinstatement of the Training Incentive Allowance
- Removal of the Subsequent Child Policy
- Announcement of wage indexation of childcare assistance thresholds (rolled out April 2022)
- Amended medical certificate process for Jobseeker Support - Health Condition and Disability (rolled out January 2022)

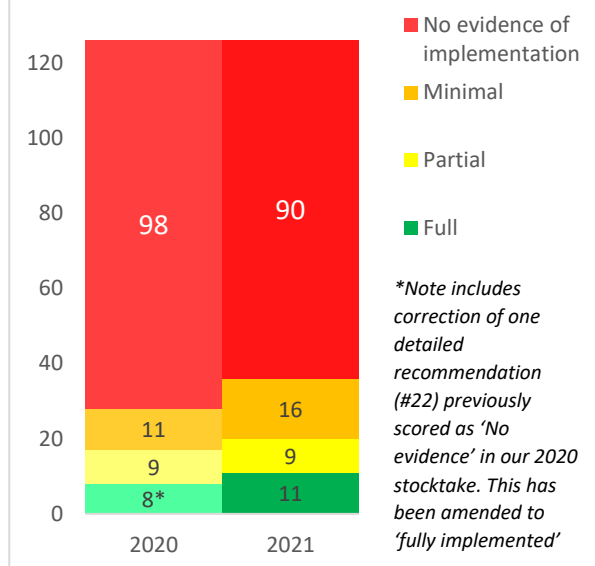
However, across the board, progress remains patchy and piecemeal. We were concerned by a lack of progress when we wrote our inaugural report in November 2020, and now as 2021 draws to a close, we are even more concerned given increased levels of hardship associated with the ongoing Covid-19 pandemic.

While a handful more detailed recommendations have now been addressed, our findings remain consistent with 2020 that none of the WEAG's 42 key recommendations have been fully implemented.

KEY RECOMMENDATIONS (42):
Implementation status of WEAG as at
November 2020 vs 2021



DETAILED RECOMMENDATIONS
(126): Implementation status of
WEAG as at November 2020 vs
2021



At this pace, based on the number of steps taken in the last 12 months, it could take decades to implement welfare reform as envisioned by WEAG. Cabinet papers from September 2021 suggest that the Government may no longer be committed to delivering on areas of welfare overhaul which it initially signalled for delivery by the end of this electoral term (2023). Minister Sepuloni has acknowledged that *“some of these initiatives will take longer to progress than initially expected given their scale and complexity”* (MSD, 2021e, p.6).

While a welcome step towards income adequacy, Budget 2021’s benefit increases *will not* meet WEAG recommendations for many benefit recipients, when wage inflation since the release of WEAG’s report is accounted for. Even with the increases, couples with children will face a weekly shortfall of \$10-14 when April 2022 increases are rolled out, compared to wage-adjusted WEAG rates. We note that WEAG (2019, p.111) intended these benefit increases as part of a *“minimum, immediate first step”*.

Moreover, family incomes still fall far short of WEAG’s recommended rates, because the increases to the Family Tax Credit have not been implemented. While a Working for Families review has been signalled, there are no timelines on this, leaving families still waiting for adequate incomes.

If welfare reform had happened on the timetable envisaged by WEAG, communities would have had the financial resilience to face the challenges of the Covid-19 pandemic with more confidence. CPAG modelling suggests that had the Government rolled out core benefit and Family Tax Credit increases in April 2019 after it received WEAG’s report, a Sole Parent Support recipient with three children could be a cumulative \$18,700 better off by April 2022. As it is, the Government’s slow pace of reform is increasing Covid-19-related inequity and distress, and jeopardising public health measures.

We urge the Government to make good on its 2017 commitment to overhaul the welfare system by delivering transformation by the end of this 2023 term, rather than the ‘marginal changes’ that WEAG warned against.

CPAG’S recommendations for implementation of welfare reform

Children and tamariki living in the deepest poverty are significantly impacted by the design of the welfare system, as a significant proportion of them are living in benefit-receiving households. In order to prioritise the wellbeing of these children, we urge the Government, during their current term, to prioritise implementation of the following WEAG recommendations:

- Reform the purposes and principles of the welfare system, including amendment of the Social Security Act. (Key Recommendation 1)
- Implement Te Tiriti o Waitangi principles in every part of the welfare system to gain equity for Māori (see Key Recommendations 1, 3 and 4)
- Fix Working for Families to help children in the deepest poverty:
 - (i) increase the Family Tax Credit to WEAG’s recommended rates (Key Recommendation 23)
 - (ii) annually index tax credit payments to wages (part of Key Recommendations 21 and 26)
 - (iii) extend the In-Work Tax Credit to all low-income children irrespective of their parent’s income source (the effect of Key Recommendation 23)
- Increase benefit levels for all youth payments 16-24 years to their adult equivalent (part of Key Recommendation 20 and Detailed Recommendation 33)
- Improve the definition of relationships within the welfare system so that it does not operate as a barrier to forming positive family units (effect of Key Recommendation 28 and part of Key Recommendation 19)
- Significantly improve financial support for disabled people, people with health conditions and their carers (Key Recommendation 40 and part of Key Recommendation 26)
- Rapidly escalate building of social housing on an industrial scale (Key Recommendation 29 and Key WEAG Recommendation 31) by:
 - recruitment and training of school leavers
 - investment in manufactured housing systems
 - greater state involvement in urban land development and redevelopment.

1. Background

“I want the welfare system to be one where people’s existence is honoured. I want it to be a space that people can trust and know they’ll get the support they need for themselves and their families.”

– Brooke Fiafia Pao Stanley, coordinator of Auckland Action Against Poverty

“In a perfect world the social welfare system in New Zealand would listen, would be able to treat people better, with more respect, relying on the principles of tika, pono, and aroha, being straight, being true, and having belief in the people they work with”

– Matua [Fred Andrews](#) (Ngāti Mahuta, Ngāti Hine, Ngāti Rangimahora), welfare advocate

“Imagine a welfare system that met people’s needs and imbued a context of trust. It would create an environment where people are physically and psychologically safe. And when people are safe, their capacity to access their own resources is increased. A whole cohort of people, their energy is going towards fighting and surviving, that would change.”

– Helen Robinson, Auckland City Missioner / Manutaki o Te Tāpui Atawhai

These visions for a reformed welfare system, as articulated by those working directly with people experiencing poverty, are diverse and yet have common themes. They each describe a system that is trusting and trustworthy, that respects and adequately provides for the people it serves. These visions are in fact consistent with the New Zealand Government’s (2018) own vision for the welfare system, as was articulated in the terms of reference when establishing the Welfare Expert Advisory Group (WEAG):

“This Government’s vision for the welfare system is to ensure that people have an adequate income and standard of living, are treated with and can live in dignity and are able to participate meaningfully in their communities.”

The implementation of the Government’s vision is critically important to children in the deepest poverty, because these children are often supported by the welfare system. As we approach three years since WEAG delivered their report *Whakamana Tāngata* to the Government in February 2019, this CPAG analysis attempts to answer the question: are we any closer to achieving these visions in November 2021? Here, we have updated our [2020 stocktake](#) of the Government’s progress in overhauling the welfare system, reporting on key developments over the last year.

Our discussion highlights how despite some modest gains, progress continues to be slow and fragmented, leaving the 208,000 children in benefit-receiving households (MSD, 2021b) still waiting for transformational change. The Government’s vision for an overhauled welfare system is one that many New Zealanders support, and yet our current system is still undermining and offering inadequate support to whānau and families who need assistance.

Context

In 2017, as part of a Confidence and Supply Agreement with the Green Party, the Labour Party committed to an overhaul of the welfare system. To inform this programme of reform, the Government established WEAG in May 2018, made up of 11 members, each with their own expertise. Over the course of the year, this group engaged with over 3,000 New

Zealanders, and considered commissioned reports, as well as existing domestic and international research (WEAG, 2019). Based on this extensive consultation and research, in February 2019, WEAG delivered their report *Whakamana Tāngata* to Government, with a public launch in May 2019.

The findings of WEAG constituted a compelling call to action. The group concluded that the welfare system as it stood was “no longer fit for purpose and needs fundamental change”, highlighting that the system was “set up in a different time and no longer meets the needs of those it was designed to support” (WEAG, 2019, pp. 5-6). They explained that the “income support system needs substantial reform to significantly improve its adequacy and design” (p. 8) and that the “welfare system fails to deliver for Māori” (pp. 11). In order to inform the necessary system overhaul, *Whakamana Tāngata* provided 42 key recommendations and 126 detailed recommendations to the Government.

Progress following the delivery of these recommendations has been slow. At the public launch of *Whakamana Tāngata*, the Minister of Social Development Carmel Sepuloni announced implementation plans for only three minor changes, much to the disappointment of members of WEAG (Innes Asher, personal communication, May 2019) and advocates in the sector (Coughlan, 2019). Sixteen months later, in the lead up to the 2020 election, the Prime Minister claimed that 22 recommendations had been implemented (2020 TVNZ Leaders Debate, 22 September). Concerned by what appeared to be an overstatement of progress – that was at odds with the experiences that frontline service providers and people with lived experience of the system were reporting – CPAG initiated an independent analysis of the Government’s response to the recommendations of WEAG.

In our inaugural November 2020 stocktake of progress on welfare reform, [What happened to welfare overhaul?](#), the findings were stark, with no publicly available evidence of any degree of implementation on over half of the 42 key recommendations. Of the 126 detailed recommendations, we found no evidence of implementation on 106. We called on the Government to accelerate their programme of welfare reform, pointing out that children cannot wait; their minds, emotions and bodies are constantly developing, and are permanently affected by toxic stress and a lack of essentials. This report provides an update of that stocktake after a further year, examining whether the Government has indeed accelerated their welfare overhaul since then.

[Children, Covid-19 and welfare reform](#)

If welfare reform had happened on the timetable envisaged by WEAG, communities would have the financial resilience to be able to face the challenges of Covid-19 with more confidence. As it is, the Government’s slow pace of reform is increasing Covid-19-related inequity and distress, and jeopardising public health measures.

More children now affected by welfare

At the time of writing, in November 2021, we are now over a year and a half into the Covid-19 pandemic and now have community spread of the delta variant. The Auckland region has spent over a quarter of the year in lockdown. As highlighted in CPAG's July 2021 report [The first year of Covid-19: Initial outcomes of our collective care for low-income children in Aotearoa New Zealand](#), the negative effects of Covid-19 have been most severe for low-income families, due to a lack of prioritising of low-income children in policies, including the slow pace of welfare reform.

There has been a significant increase in the number of children living in benefit-receiving households as a result of the Covid-19 pandemic. In the two years to September 2021, the number of dependent children in such households increased by 15 percent to over 208,000, a figure which has remained high since peaking at 211,000 in December 2020 (MSD, 2021b). That an increased proportion of children in Aotearoa are now living in households receiving main benefits adds greater urgency to WEAG's (2019, p. 5) call for "fundamental change".

[Initial Covid-19 welfare responses were mostly useful, but temporary](#)

We acknowledge the significant Government resources that the ongoing Covid-19 pandemic has absorbed, and the impact that this has had on capacity for other work programmes; however, Covid-19 and poverty are related crises. Indeed, the Covid-19 pandemic has exacerbated existing issues of wealth inequality, health and housing inequities, and food insecurity, and therefore a coherent response to the Covid-19 pandemic necessitates systemic change to address inequities. These inequities have fuelled the spread of Covid-19 delta variant in the community (McClure, 2021), and are likely to play a role in low vaccination rates among those in the most deprived areas (Kerr, 2021).

Many of the Government's initial welfare responses to the arrival of Covid-19 in 2020 were aligned to WEAG recommendations and vision to some extent, including the lifting of requirements for annual benefit reviews, reapplications and stand-down periods; making hardship assistance easier to access; increasing income support (albeit to levels which were still inadequate; see McAllister, 2020); and creating an income relief payment with a high level of individualisation. For a short time, the system operated on this higher trust model, which was closer to the WEAG vision, and research indicates the effect on people's wellbeing and their ability to hope and plan for the future was positive (Humpage & Neuwelt-Kearns, 2020); it was a small taste of the social transformation that true welfare reform could instigate. However, instead of making these responses permanent and universally available, which would have contributed to WEAG work programme progress, the Government put time limits on many such changes, and/or tied them to arbitrary and discriminatory eligibility criteria (as was the case with the Covid-19 Income Relief Payment; see Cardwell, 2020).

"Our Prime Minister talks about a team of five million. The people on the benefit, the ones who are doing it the hardest, they've been part of that team, you know? They need to be acknowledged. And that for me, is about kotahitanga [unity, togetherness]. A liveable income for all of us, that's the only way they can acknowledge the work that we have done."

- Matua [Fred Andrews](#) (Ngāti Mahuta, Ngāti Hine, Ngāti Rangimahora), welfare advocate

There are other more recent signs that suggest the Government’s commitment to welfare reform is waning. Unlike in 2020, criteria to access hardship assistance has remained tight through the 2021 extended Auckland lockdown, and the Government acknowledges it is offering less direct lockdown-related support to low-income families in November 2021 than it did last year (Tinetti, 2021). Instead, the Government has increased its reliance on emergency foodbanks rather than equipping families with the hardship income assistance they need (for instance, for rent, power, fuel and online education and buying their own food). Offering low-choice food via volunteer organisations when direct income is required is not mana-enhancing, nor is it enabling families to live with dignity¹ and as such, it is contrary to WEAG’s vision.

Key report methods and structure

Our data sources for assessing the Government’s progress in implementing WEAG’s recommendations – as tabulated in Appendices 1 and 2 – include all publicly available evidence such as Cabinet papers, media reports, press releases, and consultation with subject experts. Woven through this report are quotes from key informants, including people working in frontline organisations, as well as those with lived experience of the welfare system. In September and October 2021, we interviewed 12 people about key issues and priorities for them and/or the people they work with, with respect to welfare reform. Their expertise and experiences have informed our analysis, and in many cases form illustrative examples of the issues discussed. As well as these interviews, we have also sought peer review from a range of sector experts, many of whom are listed in our Acknowledgements. We are grateful for the input of these individuals, and all assessments and errors remain the responsibility of the authors.

The rest of this report is structured into four key discussion sections on areas especially pertinent to children and their families. These are followed by appendices presenting implementation progress for each of WEAG’s recommendations: Appendix A for key recommendations and Appendix B for detailed recommendations. The first discussion section examines progress on reforming the *Purpose and principles of the Social Security Act*, the foundations of which underpin our welfare system. In the second discussion section, *Income support*, we consider the welcome Budget 2021 benefit increases, but explain how these increases alone will not increase family incomes to the level recommended by WEAG – Working for Families (WFF) tax credits are also essential.

The third section on *Housing* assesses the Government’s progress on addressing the housing recommendations outlined by WEAG, including issues of rent affordability, the escalating high demand for social housing and the construction of houses on the industrial scale needed. The fourth section, *The wider welfare system: progress and priorities*, considers progress in two other key priority areas – supports for disabled people, and relationship settings. Across these four sections, we highlight how transformational change is yet to be seen, with small progress in some areas, and apparent regression in others.

2. The principles and purpose of the Social Security Act

It was “*fundamental change*” that WEAG called for after their extensive consultation with welfare recipients, MSD staff and other stakeholders. Their first two key recommendations

¹ See [McAllister \(2021\) – The Government’s response to lockdown hardship has been piecemeal and inadequate. Why?](#) for more analysis on foodbanks vs income assistance in the August 2021 lockdown.

proposed reform to the purpose and principles of the welfare system, including amending the Social Security Act. These recommendations sought to redress the existing heavy emphasis on the welfare system's role in encouraging paid work, an emphasis which operated *"to the exclusion of the system's **core role of ensuring adequate incomes**"* (emphasis added; WEAG, 2019, p. 65).

WEAG also reported that the welfare system fails to deliver for Māori who – due to factors such as discrimination, racism, and ongoing colonisation – make up 36% of all working-age people receiving a benefit as the primary recipient (MSD, 2021b). Indeed the failures of the welfare system disproportionately affect Māori, and are currently subject to a Waitangi Tribunal claim (Te Wake, 2021). In order to uphold te Tiriti o Waitangi, WEAG recommended that these new principles underpinning the system include kaupapa Māori values of manaakitanga, ōhanga, whanaungatanga, kotahitanga, takatūtanga and kaitiakitanga.²

At this stage, such values seem to remain potential, rather than operationalised principles of the system. Without a rewrite of the purpose and principles of the Social Security Act to guide the design and operation of the system, we are unlikely to see radically improved operational performance from Work and Income, as the emphasis ultimately remains on encouraging paid work at all costs, rather than ensuring income adequacy and appropriate support. In a November 2019 Cabinet paper, Minister Sepuloni indicated an assumption that legislative changes to the Social Security Act would have limited effect on its daily administration, and so the approach being taken is one that engages in operational changes first to ensure revised purposes and principles are given meaningful effect (MSD, 2019A, p. 19). However, our engagement with those working in the sector, as well as those receiving welfare support themselves, suggests that the approach of the system has not fundamentally changed since WEAG produced its report.

To take one of the WEAG's recommended principles as an example, welfare advocate Matua Fred Andrews (Ngāti Mahuta, Ngāti Hine, Ngāti Rangimahora) explained to CPAG what the principle of whanaungatanga would look like in practice within the welfare system:

*"Whanaungatanga ... is about **building safe relationships** with the people you work with. Whanaungatanga would be the ideal model of practice for people within the social welfare system."* (emphasis added)

Contrary to upholding whanaungatanga, the experiences of welfare advocates and benefit recipients that we spoke to suggested a prevailing lack of trust and persistently poor relationships between Work and Income staff and clients. As one former Sole Parent Support recipient explained:

*"Before I came onto the benefit recently I was working full time and I lost my job due to Covid. When I jumped back on the benefit again I had a new case manager and I was hoping that having not been on the benefit for a year, hoping that the system would have changed somewhat, but no. ... **She spoke down to me like I was a***

² For further discussion of these principles, see [McMeeking S, Kahi H, Kururangi G, Maurice E \(2019\). *Kia Piki Ake Te Mana Tāngata— Review of the WEAG Tikanga Framework. Ministry of Social Development. Welfare Expert Advisory Group. Ministry of Social Development.*](#) Also Andrews, Fred (2020) [Kia Piki Ake Te Mana Tangata: Kōrero with Matua Fred](#) (videos). Child Poverty Action Group.

criminal, interrogating me like I was a criminal, asking me for proof of everything. I was humiliated, absolutely embarrassed.” (emphasis added)

While frontline MSD services have received greater funding for staffing, we found no systemic evidence that relationships of mutual trust and respect are being fostered between Work and Income staff and clients. It appears that a largely punitive approach remains, rather than being “*person-centred and wellbeing focussed*” as WEAG recommended (key recommendation 2). As one current Sole Parent Support recipient explained:

“A lot of the support provided is just directing you to go somewhere, they’re not supporting you. They’re just telling you this is it, do this, and if not, there’s consequences, like you get stood down, you lose a bit of your benefit.”

We acknowledge that there have been some small but important wins in the last year, for instance the removal of the subsequent child policy (NZ Government, 2021g). However, the essence of our welfare system – the wider culture based on conditionality and a lack of mutual trust – has not fundamentally changed, and many of MSD’s operational challenges appear to prevail. For instance, WEAG (2019, pp. 42) described “*a complex and bureaucratic system for both staff and recipients of support, which contributed to inconsistent service.*” Today, much time and energy continues to be spent simply navigating the system, with many benefit recipients seeking out advocacy assistance for support in accessing basic entitlements. As Liz Davies of SocialLink Tauranga Moana, an umbrella organisation for social service providers in the area, describes:

*“The fact that social service providers have to employ specific people to engage with WINZ, suggests **the system is not as good as it could be**. One of the providers said that in lockdown [Level 4 August 2021] they managed to get some funding for a social worker whose entire job is to help people advocate at WINZ. That means **a lot of time and money is being spent on helping people get the benefit, rather than dealing with all the other stuff.**”* (emphasis added)

A September 2021 Cabinet paper has signalled that “*resetting the foundations of the welfare system*” will be a priority as part of the Government’s ‘renewed’ welfare overhaul work programme (MSD, 2021e, p. 6). While it is positive that changes to the purpose and principles remain on the agenda, we note that the Government has not committed to any timeframe on this ‘renewed’ work programme, stating “*some of these initiatives will take longer to progress than initially expected due to their scale and complexity.*” WEAG made clear that small tweaks to the welfare system would not be enough to meet the needs of those it is designed so support; the purpose and principles of the system are the fundamental first step in laying the foundations for a radically improved welfare system. Given the importance of this foundational reset, we urge the Government to prioritise this transformational work and complete it within the current electoral term finishing in 2023.

“I want to recognise that there’s been a genuine effort, but there is more to go. Without a system overhaul, which is what the WEAG suggested, that system just doesn’t work for people in the way it needs to.”

– Helen Robinson Auckland City Missioner / Manutaki o Te Tāpui Atawhai

3. Income Support - planned benefit increases necessary but not sufficient

WEAG recommended a “*comprehensive package of changes*” to increase income towards adequacy. For families this has two parts: (i) benefit increases; and (ii) increases in Working for Families (WFF) tax credits. Our analysis shows that for families, *overall* total core income support (benefits plus Family Tax Credit) will not match the wage-adjusted rates recommended by WEAG for *any* benefit recipients. The delays in delivery of benefit increases and inadequate increases in WFF tax credits will be exacerbating distress and deepening family debt.

Benefit increases

The Budget 2021 increased benefits which, when fully implemented on 1 April 2022, will indeed be the largest in several decades (NZ Government, 2021h). The Government must be commended for this necessary step towards restoring family incomes following decades of inadequacy. The Government (2021i, pp. 1) stated:

“In Budget 2021, to tackle inequality and child poverty, we are lifting weekly main benefit rates by between \$32 and \$55 per adult, to bring these rates in line with a key recommendation of the Welfare Expert Advisory Group (WEAG) and provide an additional boost to families with children.”

These increases are being delivered in two parts: an initial \$20 per week increase per adult on 1 July 2021, and a second increase scheduled for 1 April 2022. The rate of this second increase will vary between individuals, to align rates in nominal (non-indexed) terms with those recommended by WEAG. In addition, for families with children, on 1 April 2022 main benefit rates will be increased by a further \$15 per week per adult (NZ Government, 2021i). We note that in December 2020 the Government considered immediately lifting benefits by \$50 per week which would have more than doubled the number of children lifted above key poverty lines, but took Treasury advice to restrain their spending (Treasury, 2021).

The Government claims that by April 2022, benefit levels will match 2019 WEAG recommendations (New Zealand Government, 2021i). However, WEAG’s benefit rates were presented to Government in February 2019 as part of a recommended “*minimum, immediate first step*” (WEAG, 2019, p.111) which also included wage indexation and WFF tax credit increases for families.

We have investigated whether this claim of WEAG-equivalence for benefit increases holds when wage inflation since 2019 is considered. As Table 1 demonstrates, the answer in most cases is ‘no’ – i.e. for most benefit recipients, the scheduled April 2022 rates will not reach wage adjusted WEAG rates. With the exception of sole parents, all other benefit recipients (couples with children, single adults and couples without children) will be receiving rates that are lower than wage adjusted WEAG rates. We commend the Government for exceeding wage adjusted WEAG rates for sole parents; however, we note that once the Family Tax Credit is considered, sole parent incomes remain below WEAG-recommended levels (see ‘*Income support for people with children*’).

Table 1: Full weekly benefit rates, actual vs wage-adjusted WEAG rates (April 2022/23)

	Actual benefit rates, Apr 2022/23	WEAG rates (wage-adjusted), Apr 2022/23	Weekly shortfall
Sole Parent Support (SPS)	\$434.00	\$409.43	\$(24.57)
Supported Living Payment (SLP) Sole Parent (SP)	\$485.00	\$436.80	\$(48.20)
Jobseeker Support (JSS) couple w/ch, each	\$283.00	\$293.39	\$10.39
SLP couple w/ch, each	\$320.00	\$333.90	\$13.90
JSS	\$315.00	\$344.84	\$29.84
SLP	\$359.00	\$393.01	\$34.01
JSS couple no ch, each	\$268.00	\$293.39	\$25.39
SLP couple no ch, each	\$305.00	\$333.90	\$28.90

Working for Families tax credits

WEAG's recommendations for improving family incomes towards adequacy included significant increases to WFF tax credit rates (key recommendation 21) and the indexation of *all* income support to wages, including these tax credits (key recommendation 23), as well as increasing benefits.

As at November 2021, no such changes have been implemented to WFF rates, with no increases rolled out since the Families Package in 2018 (which was implemented prior to WEAG's analysis). Our 2021 analysis suggests that because WFF tax credits are not annually indexed to wages, this 2018 Families Package increase largely reflected a catch-up on erosion in relative value and thus did not deliver additional wage-adjusted income (Neuwelt-Kearns & St John, 2021). This highlights the importance of full annual indexation of the package as WEAG recommended.

In November 2021, the Government announced that it would be increasing the WFF Family Tax Credit by an additional \$5 per week on top of the obligatory scheduled inflation catch-up of 8.75% in April 2022 (NZ Government, 2021j). This \$5 increase falls far short of WEAG's

recommended increases of the Family Tax Credit rates (2019) to \$170 per week for the eldest child and \$120 for subsequent children; in wage adjusted terms this is \$186 and \$131 respectively by 2022/23 (see Table 2). Note that Table 2 shows the shortfall for children in benefit families, or those who do not qualify for the In-Work Tax Credit on other grounds; WEAG intended that the In-Work Tax Credit be removed in the context of these Family Tax Credit increases.³

Table 2: Family Tax Credit full weekly rates for benefit recipients, actual vs WEAG (wage adjusted for April 2022/23)

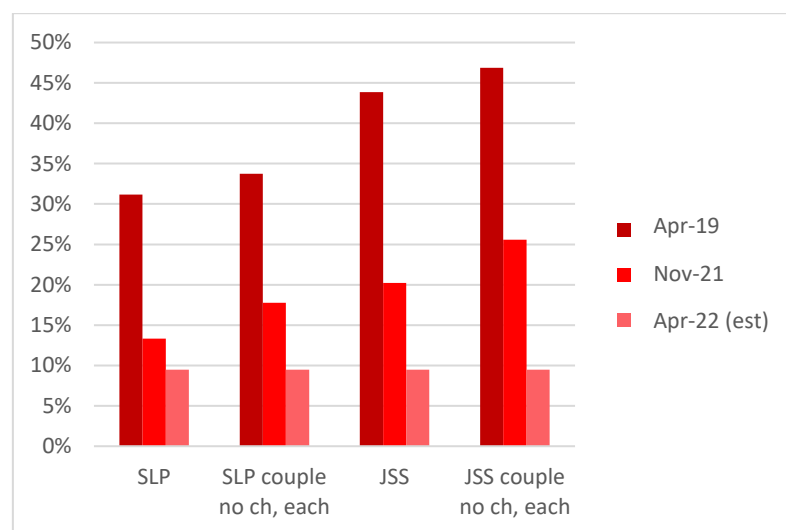
	Eldest child			Subsequent child		
	Actual	WEAG	Shortfall	Actual	WEAG	Shortfall
April 2019/20	\$113	\$170	\$57	\$91	\$120	\$29
April 2022/23	\$128	\$186	\$58	\$104	\$131	\$27

Impact of income support settings on different household types

Main benefit rates for people without children

The fully implemented April 2022 benefit increases for people without dependent children will **not** fully meet wage-adjusted WEAG recommendations. Figure 1 illustrates the shortfall between wage-adjusted WEAG rates and actual benefit rates for four types of benefit recipients without children. In the three years to April 2022, the weekly shortfall will have decreased (from 31%-47% of actual benefits in 2019 to 9% in 2022), however a sizeable shortfall of between \$25 and \$34 per week will still remain in 2022 (see Supplementary Table 1 in Appendix C for full details).

Figure 1: The shortfall between actual benefit rates, and wage-adjusted WEAG recommended benefit rates, as a percentage of actual benefit rates, individual basis (SLP - Supported Living Payment; JSS - JobSeeker; ch - children)



While young people are included in the benefit increases, the payments for younger single people without children will not be brought up to the adult rates for 25 years and over, despite WEAG’s (2019, pp. 102) explicit advice that “*there is no evidence that living costs are significantly lower for 16- to 24-year-olds who are living away from home than for people 25 years and over.*”

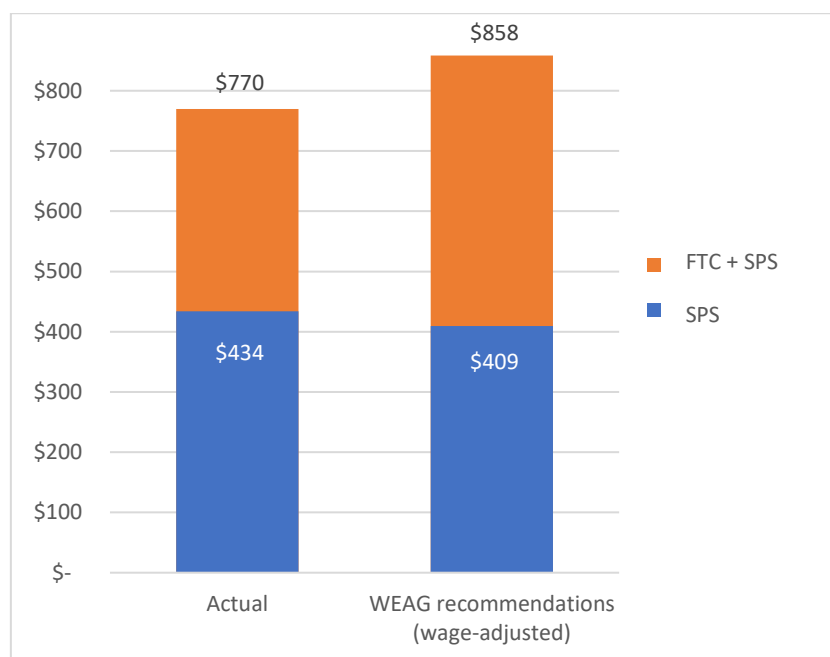
³ WEAG also intended that families in paid work would get up to a maximum of \$50 per week Earned Income Tax Credit (not child related) to replace the In-Work Tax Credit.

Income support for people with children

The package of benefit plus WFF tax credits for *all* families with dependent children will remain lower than WEAG-recommended levels for core income. The fully implemented April 2022 benefit increases will not meet wage-adjusted WEAG benefit-level recommendations for couples with dependent children (the expected shortfall is ~4%), but *will* meet them for sole parents. However, WEAG benefit-level recommendations for all parents assumed that families would also be receiving Family Tax Credits at WEAG recommended levels, which they are not.

Figure 2 illustrates how a sole-parent family’s package of income support remains lower than the wage-adjusted rates WEAG recommended. A family of three children in 2022 is scheduled to receive per week Sole Parent Support of \$434 – more than meeting wage-adjusted WEAG recommended SPS levels of \$409 – but their Family Tax Credit entitlement will be only \$336, rather than the wage-adjusted WEAG rate of \$449. This will give them an overall weekly core income entitlement that is \$88 less than what WEAG recommended, in wage-adjusted terms (\$770 versus \$858).

Figure 2: Value of Sole Parent Support (SPS) + Family Tax Credit (FTC) per week for a family with three children, actual rates vs WEAG wage-adjusted rates (April 2022)



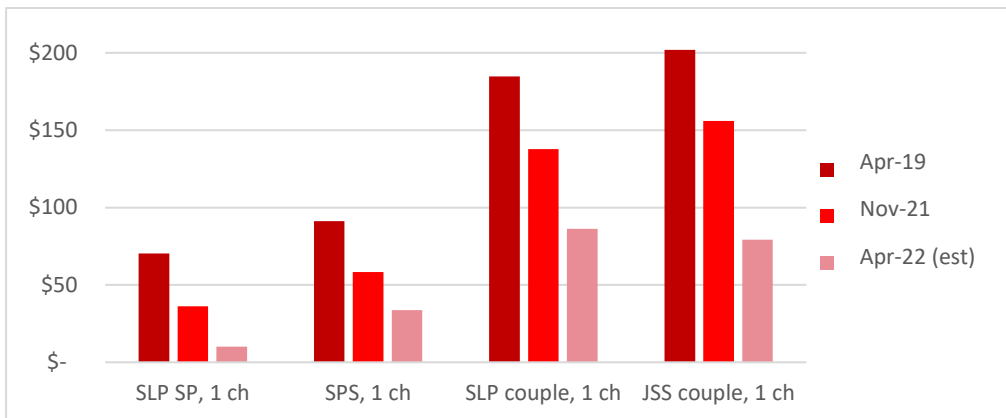
It is positive that the shortfalls between actual income support rates and wage-adjusted WEAG rates are decreasing over time; however, gaps remain significant. Figures 3 and 4 illustrate that while the shortfalls between WEAG recommendations and actual income support entitlements (benefits plus Family Tax Credit) will remain for families in 2022, they will have shrunk considerably since 2019. In 2019, the shortfall was \$128-\$260 per week for families with three children; in 2022, it is likely to be \$65-\$141 per week – reduced, but still very substantial nonetheless, leaving families with inadequate funds for essentials.

Figure 1: Families with 3 children: weekly shortfall between wage-adjusted WEAG-recommended and actual main benefits and Family Tax Credits, household entitlements (SLP - Supported Living Payment; SPS – Sole Parent Support; JSS - Job Seeker Support; ch – children)



For families with one child, the shortfall was \$70-\$202 per week in 2019; in 2022 it is likely to be \$10-\$86 per week. A shortfall of ten dollars per week (for sole parents with one child on the Supported Living Payment) may sound manageable, but once housing and potential disability expenses and assistance are taken into account, the shortfall between WEAG recommendations and actual income support is likely to be even greater.

Figure 4: Families with one child: weekly shortfall between wage-adjusted WEAG-recommended and actual weekly main benefits and Family Tax Credits, household entitlements (SLP - Supported Living Payment; SPS – Sole Parent Support; JSS – JobSeeker Support; ch – children)



Income support for couples

There has been recent improvement in the income support for couples which is welcome as it has been particularly inadequate. The 2021 and 2022 benefit increases are calculated per individual adult rather than per household as previously done. This helps to “move income support settings over time to be more neutral on the impact of being in a relationship in the nature of marriage” (key recommendation 28). For example, the benefit increase between April 2021 and April 2022 for couples receiving JobSeeker Support with or without children, will be around \$55 per week each, or over \$110 per household. This treatment is more aligned to WEAG recommendations compared to the April 2020 “\$25” benefit increase which was only \$12.50 for each person in a couple.

Income support for families receiving paid-work incomes

In November 2021, the Government announced the WFF abatement rate would rise from 25% to 27% in April 2022 (New Zealand Government, 2021m). This will increase effective

marginal tax rates further even though they were already nearing 100% in some cases (17.5-30% PAYE tax; plus 27% abatement of WFF; plus 25% abatement of Accommodation Supplement; plus deductions for ACC and 12% student loans).

Frustratingly, these announcements, which ignored the WEAG recommendations, were made without public consultation and ahead of the review of Working for Families that has been signalled by the Government to occur in 2022 (RNZ, 2021a). There are no publicly announced timeframes, scope or terms of reference for this review at present, leaving children in low-income households waiting for greater resources to come from the needed reforms.

Slow roll-out of income increases

In discussing their recommendations for achieving income adequacy, WEAG (2019, p. 111) explained:

*“[These recommendations] should be seen as a **minimum, immediate first step** in an overhaul of the system of income support.”* (emphasis added)

It is nearly three years since the Government initially received WEAG’s advice in February 2019. Delays in implementing WEAG’s comprehensive package comes at the expense of the wellbeing of children in benefit-receiving households. WEAG costed improvements to the adequacy and design of income support at around \$5.2 billion per year (though over \$1 billion of this is the Earned Income Tax Credit, which CPAG does not support).⁴ This spending reflects an investment in children and families, and as WEAG (2019, p. 8) aptly points out:

“It is important to recognize that the current system has costs of its own – those associated with the broader negative effects of poverty including lower educational attainment, imprisonment and poorer health.”

This slow roll-out of income increases is likely to be exacerbating the debt burden for many families and whānau. MSD data (accessed under OIA) showed the number of clients with debt to MSD increased by 19% between June 2019 and 2021, with an increase of 24% in the median amount of debt owed (MSD, 2021f). This growth in household debt has been exacerbated by the financial strains of Covid-19 lockdowns. Anecdotal evidence from service providers suggests that lockdowns have also compounded challenges for families facing unmanageable debt from high-interest, predatory lenders (Ngā Tangata Microfinance, 2021). By leaving benefit-receiving families and whānau with unliveable incomes in order to ‘cost-save’, the Government is essentially transferring the debt burden from Government onto these low-income families who then must find ways to make up for their income inadequacy, including by taking out loans, often at high interest rates.

The inadequate implementation of income increases has a cumulative impact on household incomes which impacts the wellbeing of the children. Table 3 presents the cumulative loss of core benefit and Family Tax Credit income in the three years to April 2022, comparing actual rates to WEAG’s recommended rates, had they been implemented and wage-indexed in April 2019 (see Supplementary Table 3 in Appendix C for more detail). A Sole Parent

⁴ CPAG does not support the establishment of an Earned Income Tax Credit as the quid pro quo for abolishing the IWTC and increasing the FTC. The EITC involves overlapping abatements that will require compensatory changes to the abatement of WFF. Paid-work incentives are best met with other tools, such as increases in the minimum wage, while enablers of paid-work for those caregivers for whom it is possible and appropriate include high quality, accessible and free childcare.

Support recipient with one child will have missed out a cumulative \$11,850 in the three years to April 2022 due to lack of full implementation of WEAG’s income support recommendations during that period. A Sole Parent Support recipient with three children will have missed out on over \$22,000 during that same period.

Table 3: Comparing wage-adjusted WEAG rates with actual rates: cumulative loss in income between April 2019-March 2022 for families receiving full core benefit + Family Tax Credit entitlements (see Supplementary Table 3, Appendix C for full details)

Benefit type, # ch	Cumulative loss in income from core benefit + Family Tax Credit, three years April 2019/20 to April 21/22
SPS 1 child	\$11,854.80
SPS 3 child	\$22,100.38
SLP SP 1 child	\$8,481.52
SLP SP 3 child	\$18,727.13
JSS couple w/1ch, per household	\$28,668.30
JSS couple w/3ch, per household	\$38,913.91
SLP couple w/1ch, per household	\$25,893.31
SLP couple w/3ch, per household	\$36,138.91

Incomes are still not liveable

The Government’s vision and WEAG’s goal, to reach incomes that are **liveable** for all families and whānau, will not be achieved with current policies. Recent analysis by Kore Hiakai – which modelled income relative to outgoing costs for three household types across four urban locations in Aotearoa – concluded that while benefit increases will reduce weekly deficits, they are not enough to secure meaningful participation in the community (Kore Hiakai, 2021). Ever-growing demand for emergency food assistance at foodbanks demonstrates that gradual increases are not translating into any significant easing of the financial burden of poverty for families and whānau, particularly not in lockdown (CPAG, n.d.).

It is crucial that the Government rapidly reviews income support settings in light of the rising cost of living, and particularly housing (see next section), to ensure that families and whānau see the gains from these increases – in other words, that their income to cover essentials is increasing. As Jen Deben, [Te Matapihi](#), put it:

“With all the food [costs] and things that have gone up especially with Covid it seems, it’s not equal [the rate of benefit increase vs cost of living]. It’s not like anything’s really changed at all. Food and all that, it’s gone up, and that’s what I find I struggle with. It just seems like it’s always been that way for me. I don’t find I benefit any more than I ever did since those July increases.”

– Sole Parent Support recipient

*“There needs to be discussion around increasing disposable income. It doesn’t make a difference to ... increase the benefit by \$20 a week if the household deficit is \$150 a week. It’s not enough of a shift to make enough of a difference. I can see tunnel vision with the Government when they’re looking at benefits [rates], they’re overlooking tino rangatiratanga. ... **When we’re looking at disposable income, we’re heading towards tino rangatiratanga.**” (emphasis added)*

Benefit increases have been an important welcome step, but a modest one. These increases alone are insufficient to provide adequate income for all families within the welfare system. We urge the Government to formulate and utilise the Working for Families review, delayed until 2022, to ensure that family incomes are further lifted among those in the severest poverty. CPAG has long advocated that extending the In-Work Tax Credit to all families irrespective of their source of income is an efficient and targeted mechanism with which to achieve this (the effect of WEAG key recommendation 23).

3. Housing affordability, supply and immediate needs

The harm to children, families and young people from having insecure, unaffordable unhealthy and unsafe housing has been well documented (CPAG, 2021). Their mental, physical, emotional, social and educational development is put at high risk. WEAG (2019, pp. 120) acknowledged housing in Aotearoa New Zealand as a crisis, a conundrum and “*a critical component of good welfare policy*”. Among its five directly-housing-related recommendations, it urged the Government to “urgently expand and accelerate [its] efforts to substantially increase public housing on an industrial scale and continue urgent efforts to end homelessness”; increase affordable “home ownership and tenure options for people on low and low– middle incomes” including papakāinga housing; increase capacity of community housing providers; and ensure “healthy homes and housing security, decent standards of housing quality, universal design, and accessibility”. Despite some positive developments since WEAG’s report, the Government’s approach to addressing the housing crisis remains modest, and housing deprivation has only accelerated over time.

Rent unaffordability and growing demand for social housing

The lack of action to address the increasingly high cost of housing continues to leave too many families and whānau hamstrung for funds, unable to afford other necessities. As Jake Lilley, policy advisor at FinCap, an umbrella organisation for financial mentors, explained to us:

*“It’s quite common to hear that people are **accessing food from foodbanks in order to pay rent**. A lot of financial mentors are coming to us saying that they’re shocked, that in someone’s budget, 80% of the income goes to rent.” (emphasis added)*

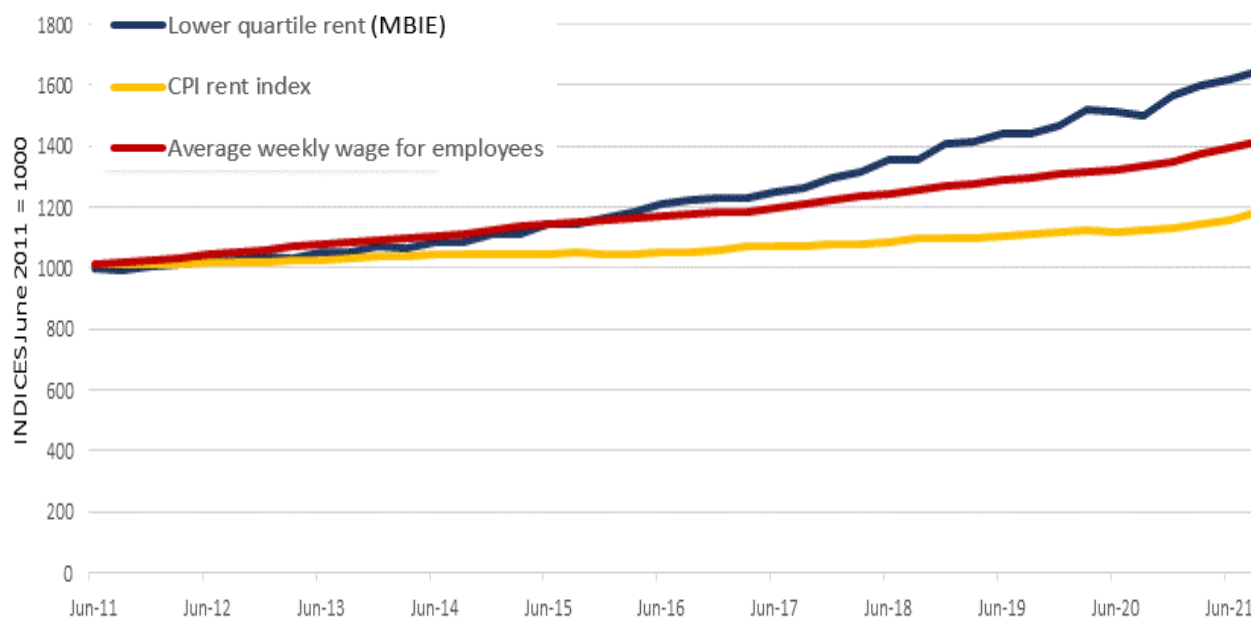
The financial value of income increases is likely being eroded by significant increases in private sector rents, muting the impact of stepwise benefit increases and undermining achieving WEAG recommendations around income adequacy (key recommendations 2 and 19) and housing affordability (key recommendations 2 and 34). Figure 5 shows changes in incomes and rents over the ten years to June 2021.⁵ The lower quartile rents (a more reliable indicator of rental costs) show increases of 6.8% over the year to June 2021 and

⁵ As reported in the Ministry of Business Innovation and Employment’s (MBIE’s) Tenancy Bond Division dataset.

12.4% over the two years to June 2021, meanwhile corresponding increases for weekly wages/salaries received by employees were 5.7% and 8.5%.⁶

Figure 2: Changes in rent and income indicators 2011 to 2021.

Sources: Ministry of Business Innovation and Employment's Tenancy Bond dataset and Statistics New Zealand's Quarterly Employment Survey and Consumer Price Index



WEAG recommended that 'urgent efforts' be continued to end homelessness (key recommendation 29), and while the Government has continued to progress its Homelessness Action Plan (MSD, 2021d), challenges in the broader housing system are such that the number of severely housing deprived New Zealanders, and particularly children, is only growing with time. In October 2021, RNZ reported that there were over 4,500 children living in motels throughout the country, an increase of nearly 6% in the space of three months (Blake-Person, 2021a). Through the Covid-19 delta outbreak, some areas have not had sufficient emergency housing capacity to keep pace with demand of increasing numbers of families and whānau. That New Zealand has reached the point where families and whānau are turned away even from emergency accommodation – a bottom-of-the-cliff response – is an indictment that necessitates bold and brave policy response.

Indeed the numbers of people classified as being in severe immediate need on the social housing waitlist (Priority A) continues to grow. Demand for social housing has grown exponentially since 2016, in part due to a change in needs assessment processes introduced by the Labour-led Government, but more recently reflecting growing housing deprivation. In the last year this adverse trend has continued; during the 12 months to June 2021 the waiting list overall grew 32%, or by almost 6,000 households to 24,474, with the proportion of Priority A rising from just under 90% to over 93% (MSD, 2021g). The social housing waiting list is growing at almost twice the rate of the building of additional social housing

⁶ Note that the CPI for rent as reported by Stats NZ is less reliable; it shows more modest increases in households' spending on rents of 3.3% over the 12-month period and 4.8% over two years. The reasons for this difference between these two datasets are not known, but may be due to the inclusion of households in social housing or family-owned housing where the rents are lower and more stable.

(Kāinga Ora, 2021), and 4,400 households are living in transitional housing (MHUD, 2021a, pp. 5), illustrating that current efforts are inadequate to reduce homelessness.

Increasing supply of social housing – on an ‘industrial scale’?

WEAG (2019, pp. 11) recommended that the Government “*expand and accelerate efforts to substantially increase public housing on an industrial scale.*” How has that been progressed?

Low-income households’ access to affordable housing is mainly facilitated through social (“public”) housing provided by the Government’s housing agency Kāinga Ora and community housing organisations (CHOs), which include iwi/hapū providers. However, the picture of this provision of social housing is somewhat confusing with at least three indicators available: (i) the total stock of social housing provided by Kāinga Ora and CHOs; (ii) the stock of housing provided just by Kāinga Ora; and (iii) the numbers of low-income households living in affordable rental accommodation through income-related rent subsidy (IRRS) tenancies. While all of these have increased, the numbers are nowhere near what is actually needed – estimated at around 5,000 houses per year (CPAG, 2021)

However all available data sources demonstrate that the number is not even half of what is needed, by any measure. Between July 2020 and June 2021, the total stock of social housing grew by 10,382 (4.2%) to 74,377 dwellings, the stock of housing tenancy-managed by Kainga Ora grew by 406 (0.6%) to 63,995 units while the number of households with IRRS tenancies increased 4.5% to 71,738 (MHUD, 2021a).⁷

The total stock of housing under Kāinga Ora management grew by only 1,916 houses (net) to 68,169 in the year to July 2021, including over 2,700 new builds (Kāinga Ora, 2021). This figure includes leases to CHOs and transitional housing as well as the core public housing stock. The public housing stock however grew by just 395 units over this 12-month period to 64,206 (Kāinga Ora, 2021, p. 29).⁸ The very slow growth in units under the control of Kāinga Ora is due to its redevelopment programme which has seen widespread demolition of old housing to make way for new housing which includes social housing and Kiwi Build housing. These changes are clearly insufficient to meet the needs of households on the social housing waiting list. The most encouraging supply indicator, the provision of social housing (IRRS

“It’s very hard raising children [in emergency accommodation]. Especially when you don’t have cooking facilities, just trying to provide those basic needs. A real cost if you’ve gotta buy takeaways. Also there’s all different types of people – addicts, people under the influence. There’s always people fighting, drinking – and it doesn’t look good for the kids. With me, with my kids, it was really hard. I had to beg my ex-partner to take them in for a week or two. They’re not able to go to school because we were moving, the travel, the expense of traveling – you have to go back to WINZ and say ‘hey, you’ve put me out in the middle of nowhere, how do you expect me to travel around and also feed my kids at the same time?’”

– Sole Parent Support recipient

⁷ The difference between the total stock and the number of IRRS tenancies is due to vacant houses and a small number of tenants paying market rents.

⁸ There seems to be a small discrepancy of 209 units between HUD and Kainga Ora figures on this point: 63,995 vs 64,206, possibly explained by differences in snapshot dates or calculations of when builds or transactions are finished.

tenancies), expanded by almost 3,100 households – but the numbers still waiting for housing grew by almost 6,000 in that same period (MSD, 2021g).

Government's plans in the last two Budgets to address this huge shortfall remain quite modest. The 2020 Budget supported the expansion of the social housing stock by 6,000 units during 2023 and 2024 which was an increase over the 6,400 units promised in the 2018 Budget for the four years to 2022 (Kāinga Ora, 2021, p. 8). CPAG's target of 5,000 houses per year is based the need and on the fact that in 1940, the Government managed to build 2,500 houses per million population (4,000 houses for ~1.6M); thus we should be able to manage 1,000 houses per million population per year (CPAG, 2021).

The 2021 Budget funded the \$3.8 billion Housing Acceleration Fund. Cabinet papers suggest that this fund will allocate \$2 billion to Kāinga Ora to support infrastructure upgrades in its large-scale urban redevelopment programme; around \$1.4 billion to local councils and perhaps private sector developers to build new infrastructure to support housing construction; and \$350 million to Māori organisations to support infrastructure for housing for whānau Māori (MHUD, 2021b). This funding is a welcome start and acknowledges the decades-long deficit in infrastructure investment by central and local Government; however it is unlikely to result in any more affordable housing.

We may have record numbers of building consents for new dwellings – in the year to September 2021 new consents exceeded 47,000 which, in comparative terms, is the highest since 1973 – but it is likely that not enough of those consents will be for 'affordable' or social housing. The problem now is no longer one of overall supply, but of supply of affordable and social housing. The Government and its NGO partners, including iwi/hapū agencies, are the only ones likely to fix this problem - at least in the medium term.

The capacity constraints faced by the construction industry are readily apparent, thus simply allocating more money is not the full answer. Greater effort should be made at increasing industry capacity to build affordable housing at a scale not seen since the 1940s. It is encouraging to see efforts at training and recruitment of school leavers into the construction sector, and these should be accelerated. The Government should seriously consider investment in manufactured housing systems (factories for partially pre-fabricated homes). Greater state involvement in urban land development and redevelopment – not just on Kāinga Ora land, but also purchasing privately-owned land for public housing (both greenfields and brownfields sites) – would also speed up the process.

Funding for Māori housing

In addition to the Housing Acceleration Fund, Budget 2021 also included a \$380 million boost for Māori housing. This constitutes funding to build around 1,000 new homes, including a range of papakāinga housing, affordable rentals, transitional housing and owner-occupied housing; repairs for 700 Māori-owned houses; and a \$30 million investment towards building future capability for Māori-led housing projects (NZ Government, 2021c). Given that half of the 24,000 households on the state housing register as at June 2021 were Māori this funding is far from a silver bullet. However, the announcement has had significant support from many Māori housing advocates (Astle, 2021; Kake, 2021). As Jen Deben, Te Matapihi, told us:

“The Budget 2021 funding is unprecedented. The amount of funding available [for providers] outside of government is unprecedented. That is an amazing step in the right direction. They’ve identified the systemic issues that have occurred and shown willingness to address that.”

In the coming years, the efficacy of this funding in improving housing outcomes for Māori depends in part on how and to whom the funding is allocated. It is crucial that outcomes are measured and reported in a way that enables true accountability, rather than political point-scoring. As Jen Deben, Te Matapihi, explained:

“Housing is a long-term game, it’s not about short-term wins. It should be beholden on Government that money is going to organisations that have the experience and expertise. The experience and expertise is a point of concern. ... In order for us to understand if there’s a difference [being made by this new funding for Māori housing], there needs to be a high level of accountability, transparency and data, and it needs to be the data that New Zealanders want to hear, not just the story Government wants to tell. “

It is also important that an emphasis on housing supply more broadly does not subsume considerations of appropriateness of new builds for different population groups, particularly Māori, given their high rates of housing deprivation. Research suggests that there is a lack of diversity of housing to meet the cultural needs of Māori; for instance, in order to enable Māori to practice manaakitanga (hospitality) and tautoko (support), housing must be big enough or flexible enough to accommodate more than just its immediate inhabitants (Boulton et al., 2021).

Significant issues also remain regarding accessible housing for disabled people and their whānau. Disabled people with accessibility needs continue to struggle with a lack of choice for housing, and research suggests a significant proportion of disabled people and their family and whānau feel a sense of tenure insecurity (Brown & Johnson, 2021). We note that only 15 percent of new Kāinga Ora builds are required to meet full universal design standards (Kāinga Ora, 2019), and yet roughly 24 percent of New Zealanders identified as disabled in 2013 (Ministry of Health, 2013). Given the increased likelihood of living in poverty for disabled people and their family and whānau (Murray, 2019), an even higher proportion of state housing applicants are likely to have a household member living with disabilities. All Kāinga Ora new builds should meet universal design standards to ensure families and whānau with disabled members have choices in their living arrangements.

4. Other welfare reform priorities

In this section, we discuss the Government’s progress in implementing WEAG’s recommendations across two other key priority areas as identified by CPAG; support for disabled people and relationship settings.

Disability

Child poverty statistics released in February 2021 shed light on the marked disability-related inequities faced by households with disabled members. Stats NZ (2021) official child poverty data for the 2019/20 year (June-February, pre-Covid) were for the first time disaggregated by disability status, and the findings were alarming. In the 2019/20 year, disabled children had over double the rate of severe material hardship compared to non-disabled children (8.6% and 4.1% respectively). Furthermore, children in households with a disabled member had over three times the rate of severe material hardship compared to children in a non-disabled household (8.9% and 2.7% respectively). Nearly 30% of all children live in a household with at least one disabled person, and over half of all children who live in material hardship live in a household with at least one disabled person (Stats NZ, 2021a).

“Beyond a slight increase in benefit levels I wouldn’t say we’ve had any real gains for disabled people.”

– Dr Huhana Hickey (Ngāti Tāhinga, Whakatōhea), disability advocate and former WEAG member

Despite these data painting a clear picture of the critical need for increased support for disabled children and children living in households with a disabled member, Budget 2021 announcements included no disability-specific changes. The general benefit increases will reach those receiving Supported Living Payment and Jobseeker Support – Health Conditions or Disability, however low-income households with disabled family members need additional, disability-specific income support to ensure that all such households are able to sufficiently cover the extra costs of living with disability. At present, these additional disability-related costs can leave families and whānau hamstrung by debt. For example, as Dr Huhana Hickey describes:

“Things like medical needs, they need to increase the funding for that. I had a \$6,500 dental job that took me 2.5 years to pay off. I’m only gonna get \$300 in support from WINZ. Many who are disabled are on medications that damage teeth – why should we be penalised for that?”

CPAG’s 2020 paper [‘Living Well?’](#) highlighted how the Child Disability Allowance and Disability Allowance rates are inadequate to cover the extra costs associated with raising a disabled child. For instance, the current Child Disability rate can be traced back to the original rate set in 1978, and has since merely been adjusted for inflation (albeit imperfectly), with no attempt to update the rate to reflect modern circumstances. Similarly, the Disability Allowance rate is inadequate, and the process of claiming it requires the time consuming process of regularly submitting receipts to claim back costs.

WEAG provided recommendations to change the rates and approach to payment of supplementary assistance for people with health conditions or disabilities (detailed recommendations 109-111). They recommended that the baseline rates of both the Child Disability Allowance and the Disability Allowance be increased, and they be set at three rates for low, medium and high levels of disability. Neither of these changes have been implemented by the Government to date, however a 2021 Cabinet paper has indicated that *“Reviewing financial support and employment services for disabled people, people with health conditions and their carers”* is part of the Government’s medium-term priorities in its

programme of reform (MSD, 2021c). We urge the Government to deliver for disabled people, people with health conditions and carers well before the end of its term in 2023.

WEAG provided recommendations for further transformational change, such as considering improving parity between those on disability-related benefits and those receiving support via the accident compensation scheme (detailed recommendation 105) and transferring onto New Zealand Superannuation those on a Supported Living Payment who are chronically disabled and will never come off their benefit (detailed recommendation 107).

The recent announcement of a Ministry for Disabled People in October 2021 has been praised by disability advocates as a positive step forward (albeit long overdue), which will enable the disabled community to have influence in the Government support they receive (eg Te Pūtahitanga o Te Waipounamu, 2021; Matthews, 2021). We hope that the development of a new Ministry translates into significant investment in the disability sector. As Phoebe Eden-Mann at CCS Disability Action says:

“Being disabled is not a cheap venture. ... There needs to be a recognition at a Government level that we are worth investing in and worth supporting, to be the best that we can be.”

Relationship settings

CPAG has long highlighted the devastating impact of relationship settings within the welfare system on children and families, as they discourage the formation of family units. Current rules are outdated and reflect archaic thinking about family relationships and partner dependence; they presume full financial dependence on a partner from early on in a relationship, rendering many people ineligible for a benefit because their partner is earning (Healey & Curtin, 2019). WEAG (2019, pp. 10) signalled their concern about these settings in their report, highlighting the need for urgent change:

*“One of the strongest findings from consultation was that the rules for determining whether a ‘relationship’ exists (that is, whether a relationship is ‘in the nature of marriage’) are **not working and are causing considerable harm.**”* (emphasis added)

The ambiguity of current relationship rules can cause considerable stress for parents who are unclear as to when they must declare a relationship to Work and Income. WEAG (2019, pp. 50) described relationship definitions as “*confusing*” and “*intrusive*”, consistent with the experiences of those we spoke to as part of this research. Data accessed by OIA request suggests that pursuit of so-called ‘relationship fraud’ appears to have become less aggressive, and there has been less use of imprisonment for convicted mothers over the last few years (MSD, 2020c). While these are positive developments, only a clear rule change can provide the certainty needed to alleviate some of the stress and precarity associated with forming relationships while on a benefit. As one Sole Parent Support recipient expressed:

*“The reliability, consistency - I need to know I can look after myself and my child. I’ve always been the one paying all the bills, it’s never been the other person [in my relationships]. **It’s fearful being on the benefit – on the benefit you have this constant fear that your benefit is gonna be cut, even if you’re not being fraudulent.**”* (emphasis added)

Relationship settings are particularly problematic for disabled people, who often face significant costs over and above non-disabled people, yet lose eligibility to financial support if they enter a relationship where their partner earns over a given threshold (Ternouth, 2021). As Dr Huhana Hickey (Ngāti Tāhinga, Whakatōhea), disability advocate and former WEAG member expressed:

“A lot of disabled people don’t get married because their partners can’t afford that. It’s quite horrible, because you’re assuming that we [disabled people] should come in under someone else’s income. Each individual needs their own benefit. For a lot of disabled they can’t live a good life because they can’t have a relationship.”

The Government has thus far given no clear commitment to reforming current relationship rules. Minister Sepuloni has expressed that *“work is underway”* looking at the definition of relationships for beneficiaries, and that more advice would be coming later in 2021 (Ternouth, 2021). However a Cabinet paper from September 2021 indicated that reviewing relationship settings and the unit of benefit entitlement was part of the Government’s ‘longer-term work programme’ (MSD, 2021d). Given that this same set of papers indicated that *“not all of the initiatives in the medium-term [programme] will be fully funded or implemented by 2023”*, it appears that reform to relationship settings is being deferred until at least the next term of government, presuming that whoever wins the election continues with welfare reform. Given these settings are preventing the formation of family relationships among those on income support (WEAG, 2019, pp. 113), they require urgent attention.

5. Conclusion and looking ahead

This report has discussed developments in implementing WEAG’s recommendations in the year to November 2021, with a focus on children and families. CPAG has highlighted how welfare ‘overhaul’ continues to be slow and piecemeal with inadequate levels of support despite some welcome improvements. It appears from Cabinet papers that since Government’s last update in 2019, there is less of a concrete commitment as to what will be delivered by the end of 2023. In a September 2021 update, Minister Sepuloni stated:

*“We are now arriving in the medium-term phase of the work programme, and I signalled my intention in November 2019 for this to be completed in two to four years (2021-2023). The renewed work programme is now intended to shape the progression of the welfare overhaul for the next several years. ... I also acknowledge that **some of these initiatives will take longer to progress than initially expected** given their scale and complexity.”* (MSD, 2021e)

An Appendix to this Cabinet paper also reads:

“It is important to note not all of the initiatives in the medium-term will be fully funded or implemented by 2023.” (MSD, 2021c)

CPAG was concerned by a lack of progress when we wrote our inaugural report in November 2020, and we are even more concerned now in November 2021. These delays are exacerbating growing rates of family and whānau hardship. While Covid-19 has undoubtedly consumed immense Government resources, deep poverty poses a significant challenge to the efficacy of our national Covid-19 response, and the pandemic has only provided more impetus for a fundamental reset of our broken social safety net.

Making modest, piecemeal changes is not reform. The Government's resort to patchy changes means that many on the ground – both recipients of welfare support, and those supporting families and whānau navigating the system – are not seeing much measurable difference in their experience of engaging with the welfare system. As one welfare advocate put it: *“Changes? If they have made changes, it's had little impact.”*

The Government has signalled that its 2021 'renewed work programme', published in late 2021, contains *“areas of major transformational change for the welfare system”* (MSD, 2021e, p.7). We urge the Government to deliver more quickly on this programme of reform within their current term and to meet their commitment to truly overhaul the welfare system. In order to achieve this, and in order to address the issue of entrenched child poverty in Aotearoa, CPAG suggests the Government prioritise the following WEAG recommendations:

- Reform the purposes and principles of the welfare system, including amendment of the Social Security Act. (Key Recommendation 1)
- Implement Te Tiriti o Waitangi principles in every part of the welfare system to gain equity for Māori (see Key Recommendations 1, 3 and 4)
- Fix Working for Families to help children in the deepest poverty:
 - (i) increase the Family Tax Credit to WEAG's recommended rates (Key Recommendation 23)
 - (ii) annually index tax credit payments to wages (part of Key Recommendations 21 and 26)
 - (iii) extend the In-Work Tax Credit to all low-income children irrespective of their parent's income source (the effect of Key Recommendation 23)
- Increase benefit levels for all youth payments 16-24 years to their adult equivalent (part of Key Recommendation 20 and Detailed Recommendation 33)
- Improve the definition of relationships within the welfare system so that it does not operate as a barrier to forming positive family units (effect of Key Recommendation 28 and part of Key Recommendation 19)
- Significantly improve financial support for disabled people, people with health conditions and their carers (Key Recommendation 40 and part of Key Recommendation 26)
- Rapidly escalate building of social housing on an industrial scale (Key Recommendation 29 and Key WEAG Recommendation 31) by:
 - recruitment and training of school leavers
 - investment in manufactured housing systems
 - greater state involvement in urban land development and redevelopment.

Only then we will have ensured that people have an *'adequate income and standard of living, are treated with and can live in dignity and are able to participate meaningfully in their communities'*.

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Appendix A: Full list of WEAG’s Key Recommendations and the Government’s implementation progress as at November 2021

2021 Summary of implementation progress for key recommendations within each chapter of Whakamana Tāngata

Topic	No degree of implementation	Minimally implemented	Partially implemented	Fully implemented	Number of Key recommendations (and their numbers)
Reforming social security Kia Piki Ake Te Mana Tangata	4	1	3	0	8 (1-8)
Delivering for Māori	0	0	1	0	1 (9)
Restoring trust with people using the welfare system	6	2	1	0	9 (10-18)
Achieving security requires adequate income	6	2	2	0	10 (19-28)
Alleviating the housing conundrum	1	2	3	0	6 (29–34)
Improving access to employment and labour market support	1	2	2	0	5 (35-39)
Creating a fairer deal for people with health conditions or disabilities and carers	1	1	0	0	2 (40-41)
Strengthening community organisations and volunteering	1	0	0	0	1 (42)
TOTAL	31	9	11	0	42

Key Recommendation	Associated Detailed Recs	What the Government has reported	Nov 2021: evidence of implementation	Change in evidence since Nov 2020
Reforming social security - Kia Piki Ake Te Mana Tangata				
<p>1. Amend the Social Security Act 2018 to state that anyone exercising power under the Act have regard to the following purpose and values.</p> <p>The purpose of the welfare system is to whakamana tāngata and ensure a dignified life by:</p> <ul style="list-style-type: none"> • 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. <p>The welfare system is underpinned by Kia Piki Ake Te Mana Tangata, including kaupapa Māori values of:</p> <ul style="list-style-type: none"> • manaakitanga – caring with dignity and respect • ōhanga – economics • whanaungatanga – treasuring kinship ties and relationships • kotahitanga – unity • takatūtanga – preparedness • kaitiakitanga – guardianship. 	Nil	<p>In a 27 September 2021 Cabinet paper, the Government signalled that “resetting the foundations of the welfare system” is part of its medium-term work programme, intended to take place over “the next several years” (MSD, 2021e).</p> <p>Appendix Three of the Cabinet paper also stated that “MSD has concluded the first phase of the review of the purposes and principles of the Social Security Act. ... the review is now entering its second phase after first focusing on financial assistance” (MSD, 2021d).</p>	<p>No evidence of implementation</p> <p>In February 2019, WEAG recommended that the welfare system be underpinned by kaupapa Māori values. Following the Government’s commitment to developing one such model, Ngā Mātanga Māori was established in late-2020 to advise on defining kaupapa Māori values that could impact change and how they could do so. The group is going to report to the Minister shortly on this, and their report will inform ongoing policy work on the rewrite of the Act. However, the issue of practical implementation of such a framework has not been addressed by the Government.</p>	No change since November 2020.
<p>2. Use the following principles to guide the design and operation of the welfare system.</p>	Nil	<p>In a 27 September 2021 Cabinet paper, the Government signalled that “resetting the foundations of the welfare system” is part of its</p>	No evidence of implementation.	No change since November 2020.

<ul style="list-style-type: none"> • Be person-centred and wellbeing focused. • Keep children paramount. • Value whānau and families. • Treat people with dignity, respect and 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 the 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 links with other parts of government. • Be sustainable. 		<p>medium-term work programme, intended to take place over “the next several years” (MSD, 2021e). Appendix Three of the Cabinet paper also stated that “MSD has concluded the first phase of the review of the purposes and principles of the Social Security Act. ... the review is now entering its second phase after first focusing on financial assistance” (MSD, 2021d).</p>		
<p>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.</p>	<p>Nil</p>	<p>In a 27 September 2021 Cabinet paper, Appendix Three, the Government stated that “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 so as the welfare overhaul progresses” (MSD, 2021d). The 2021 update did not mention evaluation of</p>	<p>Partially implemented.</p> <p>The Cabinet Social Wellbeing Committee has been meeting to agree on the Government’s response to WEAG report. However, there is no publicly available evidence of monitoring and evaluation of the impact of outcomes in a way that is cognisant of Te Tiriti and involves users of the system.</p>	<p>No change since November 2020.</p>

		initiatives, despite the 2019 update suggesting evaluation of initiatives would be explored.		
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.	Nil	In a 27 September 2021 Cabinet paper, Appendix Three, the Government stated that “MSD is exploring options for embedding Te Tiriti o Waitangi/Treaty of Waitangi obligations within the welfare system” (MSD, 2021d).	No evidence of implementation. The issue of Te Tiriti compliance – both in policy and action – remains largely unaddressed.	No change since November 2020.
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: <ul style="list-style-type: none"> • 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 	Nil	In a 27 September 2021 Cabinet paper, Appendix Three, the Government stated that “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, 2021d).	Minimal implementation. There is evidence that the Government has established regular monitoring on at least some of these measures. In March 2020, Minister Sepuloni stated that the Government has responded to this recommendation by ‘regularly monitoring’ employment outcomes for people coming off-benefit. Further, in a June 2021 report released under OIA, officials stated that “In response to recommendation 5 ... MSD has created a dataset that records payments, earnings and housing costs of people in receipt of a main benefit” (MSD, 2021i). Work has begun on a full and correct entitlement pilot, but it is limited at this stage. While it is evident that some of this monitoring has been set up, data does not	No change since November 2020.

<p>disabilities, and number and age of dependent children (0–17 years)</p> <ul style="list-style-type: none"> • 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). 			<p>appear to be published annually yet. In 2020, a report was published <i>What happened to people who left the benefit system</i> based on 2015/16 data, however this work does not appear to have been updated since (MSD, n.d.).</p> <p>In regard to data collection, it is important that data collected is ‘measuring what matters’ not just to Government but also to iwi, hapū and whānau, as well as providers of social services to Māori. We call for greater Government support to enable iwi and hapū to gather, organise, store and use their own iwi-based data.</p>	
<p>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.</p>	<p>Nil</p>	<p>In 2020, a Government official confirmed that work was ‘already underway’ to address Key Recommendation 6 by MSD through its Te Pae Tawhiti and Te Pae Tata workstreams (Ministerial advisor email, October 9 2020). In a 27 September 2021 Cabinet paper, Appendix Three, it was again confirmed that “work is underway within MSD to explore this” (MSD, 2021d).</p>	<p>Partial implementation</p> <p>This has been partially implemented through the Te Pae Tawhiti and Te Pae Tata workstreams.</p> <p>A key informant notified us that some Te Tiriti training is now in place across all staff and sites. There is no publicly available evidence to suggest that that competencies required to achieve greater equity for Māori have been embedded into job descriptions, key performance indicators and performance reviews of MSD’s management and staff.</p>	<p>No change since November 2020.</p>
<p>7. Include in the amended Social Security Act specific requirements for the</p>	<p>Nil</p>	<p>In a 27 September 2021 Cabinet paper, Appendix Three, the</p>	<p>No evidence of implementation.</p>	<p>No change since November 2020.</p>

<p>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.</p>		<p>Government stated that “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” (MSD, 2021d).</p>		
<p>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.</p>	<p>Nil</p>	<p>In 2020 a Government official confirmed that work was ‘already underway’ to address Key Recommendation 8 (Ministerial advisor email, October 9, 2020). The Government has stated that “MSD continues to partner with Pacific communities to develop community-led initiatives that boost wellbeing and prevent violence as part of Pasefika Proud. MSD’s work with Pacific people includes the establishment of a Pacific Steering Group and Pacific Reference Group to inform and support the development of the Pacific Strategy and to also provide guidance on other matters related to Pacific people.”</p> <p>In a 27 September 2021 Cabinet paper, Appendix Three, the following update was provided: “MSD has developed and launched its first Pacific Strategy and Action Plan –</p>	<p>Partial implementation.</p> <p>The Pacific Steering Group and Reference Group were established in February 2019 and informed Pacific Prosperity, a strategy and action plan released in Oct 2019 (MSD, 2019A). This was the first national-level strategy and action plan for Pacific peoples, and was developed in consultation with Pacific communities. With this framework in place, there is more of a mandate for MSD to be culturally responsive in its practices.</p> <p>However, Pacific people engaging with the welfare system have not yet seen improvements in cultural responsiveness; their needs have escalated in response to COVID-19 impacts (Dr Collin Tukuitonga, personal correspondence, 15 November 2021).</p>	<p>No change since November 2020.</p>

		Pacific Prosperity. ... 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” (MSD, 2021d).		
DELIVERING FOR MĀORI				
9. The Welfare Expert Advisory Group recommends, in addition to the recommendations elsewhere that will improve outcomes for Māori, the Government: <ul style="list-style-type: none"> • 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, 	Nil	The Government has stated that work is ‘already underway’ to address Key Recommendation 9 (Ministerial advisor email, October 9, 2020). They have stated that “the notion of whakamana tāngata is built into the working policy framework for the welfare overhaul programme”, and that “innovative partnerships between MSD and whānau, hapū, iwi, Māori are being explored through the Treaty settlement process as well as locally-led initiatives” (MSD, 2019A). MSD and 27 September 2021 Cabinet paper Appendix Three state that this work is also being undertaken through Te Pae Tata and Te Pae Tawhiti (MSD, 2021d).	Partial implementation Partial implementation has occurred through the Te Pae Tawhiti and Te Pae Tata workstreams, and ongoing relationship building with Māori. However, Government welfare policies continue to exacerbate poor outcomes for Māori. For example, in the first nine months of 2021, a “warrant to arrest” sanction was given to 45 Pasifika parents, 63 Pākehā parents and 459 Māori parents (Collins, 2021). The number of children affected is unknown.	No change since November 2020.

whānau-centred, strengths-based initiatives.				
RESTORING TRUST WITH PEOPLE USING 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.	Nil	In a 27 September 2021 Cabinet paper, Appendix Three, the Government stated that “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” (MSD, 2021d).	No evidence of implementation There is no evidence that a mutual expectations framework has been developed or is being developed. In a July 2019 report released under OIA, Government officials explained what MSD is doing to implement a mutual expectations approach to their work. Examples given were largely prior to the publication of Whakamana Tangata (e.g. establishment of a Client Commitment). Officials stated that they would explore options to strengthen expectations of MSD in legislation, as part of the medium to long-term work programme of reassessing the purposes and principles of the Act (MSD, 2020c).	No change since November 2020.
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 disabilities).	Detailed Recs 2-9 (see Table 4)	In a 27 September 2021 Cabinet paper, Appendix Three, the Government stated that it has repealed Section 192 (sanction for not naming the other parent) and the Subsequent Child Policy had been scheduled for its second reading. A Budget 2021 bid has also been approved to amend the subsequent work capacity certificates process for those on Jobseeker Support – Health Condition and Disability. The paper also stated that “In mid-2021, MSD provided advice regarding Phase One	Partial implementation. Two of eight sanctions and obligations recommended for removal by WEAG have been removed (the sanction for not naming the other parent, and the subsequent child policy). The process around mandatory work ability assessment for people with health conditions or disabilities is scheduled to change as of 31 January 2022. Rather than requiring people on Jobseeker Support – Health Condition and Disability to provide	Progressed from Minimal to Partial implementation since November 2020.

		of the review of obligations and sanctions, which focuses on pre-employment drug-testing obligations, warrant to arrest sanctions, and social obligations. This work is ongoing.” (MSD, 2021d)	<p>medical certificates every four weeks for two months, and then every 13 weeks subsequently, under the new process, the client’s health provider will have flexibility to recommend time in between medical reviews.</p> <p>There is more work to be done; we note that WEAG (2019, p.81) called for wider reform of the use of sanctions altogether, stating “We do not support the continued use of a financial sanctioning regime.” There is evidence that sanctions continue to cause families significant harm, and that families go without necessities such as food, electricity and medications as a result of sanctions. A study that involved a survey and interviews in 2020/21 found that many participants reported being sanctioned out of administrative error, or because they lacked a clear understanding of the obligations associated with their benefit (Beneficiary Advocacy Service, 2021).</p>	
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.	Detailed Recs 10-19 (see Table 4)	In a 27 September 2021 Cabinet paper, Appendix Three, the Government stated that it is “already making changes to improve frontline services in line with recommendation 12 and will continue to do so.” It also stated that “Additional funding for further frontline staff and employment services to support an increase in demand was received as part of Budget 2020” and “MSD has also made improvements to its	<p>Minimal implementation.</p> <p>In early 2020 it was reported that these new ‘employment-focused’ frontline staff announced in Budget 2019 were being diverted to working on emergency hardship grants because of increased hardship demand. As a result, the level of engagement with case managers per beneficiary was down, not up, following this announcement (Coughlan, 2020).</p>	No change since November 2020.

		<p>service centres by making changes to front of house areas such as having watercoolers, new 'kids area' furniture and signages to help services centres be a more welcoming and accessible environment” (MSD, 2021d).</p>	<p>There have been some increases in the number of staff in response to increases in the number of benefit recipients due to Covid-19 via the Covid-19 Response and Recovery fund. However, there have been no observable improvements to complaints or disputes processes. Multiple frontline organisations requested a social services select committee inquiry into Work and Income’s “inhumane” practices in Sept 2021 (Save the Children, 2021).</p> <p>Those engaging with Work and Income offices continue to report a lack of clarity and transparency when engaging with staff (Casey-Cox, 2021). In relation to this recommendation, a senior beneficiary advocate in our network stated, “The attitude of frontline staff remains mixed.”</p>	
<p>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.</p>	<p>Nil</p>	<p>In November 2019, the Government reported that Key Recommendation 13 is part of its ‘medium and longer-term work programme’ (MSD, 2019A). It stated that “further work on supports and obligations on sole parents needs to be considered alongside work on mutual expectations.”</p> <p>No further update on this recommendation has been provided; all information in the 27 September 2021 Cabinet paper has been redacted (MSD, 2021d).</p>	<p>No evidence of implementation.</p>	<p>No change since November 2020.</p>

<p>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.</p>	<p>Detailed Recs 20-24 (see Table 4)</p>	<p>In a 27 September 2021 Cabinet paper, Appendix Three, the Government reported that “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” (MSD, 2021d).</p>	<p>No evidence of implementation.</p> <p>Figures suggest beneficiary debt is continuing to increase over time (MSD, 2021f), meanwhile the Minister has ruled out wiping beneficiary debt (Boswell, 2021). Reducing debt repayments is available on a case-by-case basis, but there has been no policy shift.</p>	<p>No change since November 2020.</p>
<p>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.</p>	<p>Detailed Recs 20-24 (see Table 4)</p>	<p>In a 27 September 2021 Cabinet paper, Appendix Three, the Government stated that “the DPMC-led cross-agency debt-to-government working group advised joint Ministers that progressing alignment would have undesirable affects, such as the introduction of interest and penalties which MSD does not currently apply” (MSD, 2021d).</p>	<p>No evidence of implementation.</p>	<p>No change since November 2020.</p>
<p>16. Instigate a cross-government approach to managing debt to government agencies.</p>	<p>Detailed Recs 20-24 (see Table 4)</p>	<p>In a 27 September 2021 Cabinet paper, Appendix Three, the Government pointed to a cross-government debt-to-government working group, established in 2019, with representatives from MSD, Inland Revenue, Treasury, the Ministry of Justice and the Child Poverty Unit (MSD, 2021d). In November 2019, the Government stated that over the ‘longer-term’, officials will consider seeking alignment of approaches to interest and penalty rates, as well as</p>	<p>No evidence of implementation.</p>	<p>No change since November 2020.</p>

		approaches to write-off, across agencies (MSD, 2019A).		
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.	Detailed Recs 25-27 (see Table 4).	A 27 September 2021 Cabinet paper, Appendix Three, stated that "The Minister of Social Development and Employment endorsed MSD's approach to fraud, as suggested in recommendation 17, and will continue to ensure fraud is handled appropriately." The Government also stated that "Work is ongoing to ensure that fraud in relation to the wage subsidy is handled quickly and appropriately, with specific processes developed" (MSD, 2021d).	Minimal implementation. The three-tiered approach to managing fraud activity was implemented between November 2018 and February 2019 and remains in place, and the Government has stated that it endorses MSD's approach (MSD, 2019A). However, appeals continue to be referred to the Benefits Review Committee, which is not independent of MSD and thus contravenes the principles of natural justice. We note that the high-trust model of the wage subsidy, and the relaxed approach to so-called 'audits' that the Auditor-General highlighted in its review (Blake-Person, 2021b), that stands in stark contrast to the treatment of beneficiaries suspected of benefit fraud.	No change since November 2020.
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.	Detailed Recs 28-32 (see Table 4).	In a 27 September 2021 Cabinet paper, Appendix Three, the Government stated that "This is primarily being handled by the Department of Corrections". The paper also stated that "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" (MSD, 2021d).	No evidence of implementation. The Government's announcements on this in May 2019 emphasised pre-existing work on the Supporting Offenders into Employment scheme (MSD, 2019A). While advice was provided to the Minister in 2019 about the Steps to Freedom grant, no increase has been implemented (MSD, 2021h).	No change since November 2020.

ACHIEVING SECURITY REQUIRES ADEQUATE INCOME

<p>19. Adopt the following 10 principles to redesign the income support system.</p> <ul style="list-style-type: none"> • 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 	<p>Detailed Recs 33-39 (see Table 4).</p>	<p>In a 27 September 2021 Cabinet paper, Appendix Three, the Government stated that “The income support system has experienced several changes since the release of WEAG report to align with the 10 principles outlined in recommendation 19” (MSD, 2021d). The Cabinet paper states that these principles have underpinned changes such as increases in benefits and benefit abatement thresholds, as well as amending the medical certificate process for work capacity assessment. They have stated “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.”</p>	<p>Minimal implementation.</p> <p>Budget 2021 increases mean that core benefits will cover a larger proportion of people’s living costs, and indexation to wages mean these increases will be maintained over time; however, as analyses such as that of Kore Hiakai demonstrate, rates remain too low for meaningful participation even after the April 2022 increases (Kore Hiakai, 2021). Relationship rules have not been addressed, and people receiving benefits continue to report difficulty navigating a complex, and at times, dehumanising system.</p>	<p>Progressed from no implementation to minimal implementation.</p>
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<p>in a variety of circumstances at a reasonable cost to government.</p> <ul style="list-style-type: none"> • People are treated with dignity and respect when accessing this support. 				
<p>20. Reform main benefits by:</p> <ul style="list-style-type: none"> • increasing main benefits by between 12% and 47% as set out in Chapter 7, Table 2, page 99 • increasing the abatement thresholds for: <ul style="list-style-type: none"> ○ Jobseeker Support to \$150 a week ○ Sole Parent Support and Supported Living Payment to \$150 a week and \$250 a week. 	<p>Nil</p>	<p>As part of Budget 2021, the Government announced a boost to main benefits, rolled out in two stages. The Government stated that benefits would increase by \$20 in July 2021, and in April 2022, they would increase “by a range of amounts to meet the levels recommended by WEAG” (Robertson, 2021).</p> <p>In a 27 September 2021 Cabinet paper, Appendix Three, the Government stated that “Youth rates of main benefits will be the only rates that remain below those recommended by WEAG, for those not already paid at the adult rate”. It also stated “There are significant implications for studying and training incentives by raising these rates, that require careful consideration” (MSD, 2021d).</p>	<p>Partially implemented.</p> <p>Increased abatement thresholds as of 1 April 2021 meet the levels recommended by WEAG.</p> <p>The benefit increases announced as part of Budget 2021 mean that the benefit rates recommended by WEAG - except for single young people 18-24 years (see below)- will be met in <i>nominal</i> terms by 1 April 2022; however, we note that in wage-adjusted terms these increases fall slightly short for coupled families and single people without children.</p> <p>Youth payment rates: Jobseeker Support benefits for both single people 18-19 years living away from home and 20-24 year olds are well below the 25 years and over rate. This is contrary to WEAG’s recommendation that these be brought in line with the adult rates. WEAG’s reason was that there is no evidence that living costs are significantly lower for single young people 18-24 years old than for people 25years+.</p>	<p>Progressed from minimal to partial implementation.</p>
<p>21. Fully index all income support payments and thresholds annually to movements in average wages or prices, whichever is the greater. Index</p>	<p>Nil</p>	<p>A 27 September 2021 Cabinet paper, Appendix Three, highlighted that indexation of main benefits to movements in average wages was passed as part of Budget 2019,</p>	<p>Partially implemented.</p> <p>Main benefits have been indexed to wages, which is a welcome and important structural change.</p>	<p>No change since November 2020.</p>

<p>Accommodation Supplement rates to movements in housing costs.</p>		<p>implemented in April 2020. The government also stated that “From 1 April 2022, the income thresholds for Childcare Assistance will be adjusted annually in line with average wage growth” (MSD, 2021d).</p>	<p>However, no parts of Working For Families have been indexed to wages – all are “income support payments”. As CPAG’s May 2021 analysis demonstrated, a lack of indexation of Working for Families has led to an erosion in value of this crucial income support for children (Neuwelt-Kearns & St John, 2021).</p> <p>Accommodation Supplement rates have not been indexed to movements in housing costs; however, in CPAG’s view, the preferred approach would be to lift non-AS incomes to adequate levels to cover more housing costs too (and reduce housing costs via housing mechanisms). This needs further consideration.</p>	
<p>22. Consider introducing a Living Alone Payment that contributes to the additional costs of adults living alone (without another adult) on a low income.</p>	<p>Nil</p>	<p>A 27 September 2021 Cabinet paper, Appendix Three, stated that “This work remains on the welfare overhaul work programme and will be considered as part of work to improve the income support system” (MSD, 2021d).</p>	<p>No evidence of implementation.</p> <p>In CPAG’s view, the introduction of a Living Alone Payment is not a priority for children in poverty.</p>	<p>No change since November 2020.</p>
<p>23. Reform Working for Families and other tax credits by:</p> <ul style="list-style-type: none"> • 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: 	<p>Nil</p>	<p>A 27 September 2021 Cabinet paper, Appendix Three, highlighted the removal of the hours requirements for the In-Work Tax Credit and the introduction of a two-week grace period in April 2021 (MSD, 2021d).</p> <p>As part of Budget 2021 announcements, the Government</p>	<p>No evidence of implementation.</p> <p>The abatement changes scheduled for April 2022 are contrary to WEAG recommendations for families on incomes lower than 160k (ie, most families and all low-income families).</p>	<p>No change since November 2020.</p>

<ul style="list-style-type: none"> • 10% on family annual incomes between \$48,000 and \$65,000 • 15% on family annual incomes between \$65,000 and \$160,000 • 50% on family 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. 		<p>signalled that it would be working on a review of the Working for Families package (RNZ, 2021). In a 27 September 2021 Cabinet paper, Appendix Three, the Government stated that “Advice on the scope, scale and timing of the review was provided to joint ministers in April 2021” (MSD, 2021d).</p> <p>The Government has also announced an increase in abatement rates from 25% to 27% and a \$5 increase in the base Family Tax Credit (as well as an obligatory inflation catch-up), to be implemented from April 2022 (NZ Government, 2021j).</p>	<p>While the Families Package reached those supported by a benefit, WEAG recommendations post-date the Families Package implementation.</p> <p>The increased Family Tax Credit recommended by WEAG would go to all families for their children, including those supported by a main benefit; at the same time the WEAG recommendations in practice mean the In-Work Tax Credit is removed, a change long sought by CPAG because it is discriminatory against children in the deepest poverty.</p> <p>CPAG does not support the establishment of an Earned Income Tax Credit as the quid pro quo for abolishing the IWTC and increasing the FTC. The EITC involves overlapping abatements that will require compensatory changes to the abatement of WFF. Paid-work incentives are best met with other tools, such as increases in the minimum wage, while enablers of paid-work for those caregivers for whom it is possible and appropriate include high quality, accessible and free childcare.</p>	
<p>24. Reform supplementary assistance and hardship assistance so they are adequate, appropriately designed and easy to access.</p>	<p>Detailed Recs 40-43 (see Table 4).</p>	<p>A 27 September 2021 Cabinet paper, Appendix Three, stated that “The review of Hardship Assistance is underway” (MSD, 2021d).</p>	<p>No evidence of implementation.</p> <p>People report supplementary and hardship assistance are harder to access currently (Aug-Nov 2021) than they were during the last lockdown – an observation supported by quarterly hardship assistance statistics (MSD, 2021d).</p>	<p>No change since November 2020.</p>

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).		A 27 September 2021 Cabinet paper, Appendix Three, stated that “MSD is working with other agencies to develop advice on these recommendations” (MSD, 2021d).	No evidence of implementation. The Government has shown no indication of initiating a minimum income standards study to determine the minimum level of income needed for participation in society.	No change since November 2020.
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.	Nil	A 27 September 2021 Cabinet paper, Appendix Three, stated that “More work is required, which will be considered as part of the renewed welfare overhaul work programme” (MSD, 2021d).	No evidence of implementation. The Government has shown no indication of initiating a minimum income standards study to determine the minimum level of income needed for participation in society.	No change since November 2020.
27. Pass on all child support collected to receiving carers, including for recipients of Unsupported Child’s Benefit.	Nil	A 27 September 2021 Cabinet paper, Appendix Three, stated that “Work on the child support pass-on proposal was paused in early 2020 due to the impact of COVID-19. Work is currently underway” (MSD, 2021d).	No evidence of implementation.	No change since November 2020.
28. Move income support settings over time to be more neutral on the impact of being in a relationship in the nature of marriage.	Detailed Recs 62-65 (see Table 4).	In November 2019, the Government reported that implementation of Key Recommendation 28 is part of its ‘medium and longer-term work programme’, stating that “this will be considered as part of the further advice on income support settings” (MSD, 2019A). A 27 September 2021 Cabinet paper, Appendix Three, indicated that work on relationship settings and unit of entitlement was part of MSD’s	Minimal implementation. The partial benefit increases implemented in July 2021 are individualised, closing the gap between individuals and couples to a very small extent.	Change since November 2020 from no evidence of implementation to minimal implementation.

		'longer-term' work programme (MSD, 2021d).		
ALLEVIATING THE HOUSING CONUNDRUM				
29. Urgently expand and accelerate Government efforts to substantially increase public housing on an industrial scale and continue urgent efforts to end homelessness.	Nil	A 27 September 2021 Cabinet paper, Appendix Three, stated that "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 Cabinet paper appendix also stated that "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. ... 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" (MSD, 2021d).	Partial implementation The Government has expanded and accelerated the building of state houses, with the Prime Minister describing it as the "largest public housing build programme since the 1970s" (Edwards, 2021). However, the housing register continues to grow rapidly, with 24,474 applicants as at June 2021, an increase of 32.1 percent on the year prior. The Government's increased building pace does not reflect an 'industrial scale' build, and is not matching increases in demand. While the Government is rightfully pointing out that they're building faster than any time in recent history, the fact that it's faster doesn't mean it's at the level of response that is necessary. The scale of this housing crisis requires ambitious and urgent action. The Government is currently building less than half the number of houses per capita compared to the building rate during the era of Prime Minister Savage – and that if the Government were to build state houses at the same rate as the first Labour Government, it would be building 10,500 per year (Edwards, 2021).	No change since November 2020.
30. Increase the range of home ownership and tenure options for people on low and low–middle incomes.	Detailed Recs 85-87 (see Table 4).	A 27 September 2021 Cabinet paper, Appendix Three, stated that "The Progressive Homeownership Scheme will help between 1,500 and 4,000	Minimally implemented. The Government stated that its Progressive Home Ownership scheme, announced in	No change since November 2020.

		<p>low to middle income households to access shared ownership, rent-to-buy, or leasehold arrangements to step into home ownership. ... 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" (MSD, 2021d).</p>	<p>2020, would help between 1,500 and 4,000 households, with priority given to Māori, Pacific peoples, and families with children (MHUD, 2021b). However, in the seven months since the launch of the scheme to February 2021, the scheme had housed just 12 families (RNZ, 2021b). Even if the original target is indeed met, the scale of this programme remains small in the context of the scale of the housing crisis, and the extent of inequities for Māori and Pacific peoples. Significant work remains to be done to ensure home ownership is affordable for more New Zealanders.</p>	
<p>31. Increase the capacity of third-sector community-based housing providers.</p>	<p>Nil</p>	<p>A 27 September 2021 Cabinet paper, Appendix Three, stated that "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" (MSD, 2021d).</p> <p>*Ministry for Housing and Urban Development</p>	<p>Minimal implementation.</p> <p>In August 2021, the Government reinstated upfront funding for community housing providers, bringing forward funding the Government already provides to Community Housing Providers in order to assist with early-stage costs associated with new build projects (NZ Government, 2021f). This will be particularly important for emerging providers.</p> <p>Additional funding has also been announced for Māori-led housing solutions, such as the Whai Kāinga Whai Oranga announcement as part of Budget 2021, which constitutes the "largest investment ever in Māori housing" (MHUD, 2021c). Alongside the MAIHI framework, these initiatives are both great steps in</p>	<p>Progressed from no evidence to minimal implementation.</p>

			<p>building the capacity of iwi Māori to respond to housing need.</p> <p>Overall, however, the Government continues to emphasise Kainga Ora as the preferred provider of social housing, with community housing looked to as a supplement for state housing.</p>	
<p>32. Develop and enact laws and regulations to ensure healthy homes and housing security, decent standards of housing quality, universal design, and accessibility.</p>	<p>Nil</p>		<p>Partially implemented.</p> <p>Changes have made incremental improvements to protect tenants, however further work is needed to tighten regulations to ensure people have access to accessible, healthy homes.</p> <p>The 2017 Healthy Homes Guarantee Act sets heating and insulation requirements. Healthy Homes Standards are not enforceable in public housing (Kāinga Ora) until 1 July 2023, meaning state housing tenants have not necessarily seen improvements in their quality of housing. Moreover it is still more than 2 years away (1 July 2024) – that all rental homes must comply.</p> <p>In August 2020 the Residential Tenancies Amendment Act came into force. This amendment means that rent increases are limited to once every 12 months (Tenancy Services, 2020). Further changes were applied from 11 February 2021, including preventing landlords from ending a periodic tenancy without 90 days’ notice, and banning rental bidding.</p>	<p>No change since November 2020.</p>

			<p>However, the onus remains on tenants to raise any concerns about landlord compliance with the Tenancy Tribunal, which is an onerous task that can jeopardise tenants' housing circumstances (Andelane, 2021). In a tight rental market, proactive enforcement of these regulations is necessary to ensure tenants are accessing rental homes that are compliant with this new legislation.</p> <p>Disabled people with accessibility needs continue to struggle with a lack of choice with regards to housing, and research suggests a significant proportion of disabled people and their family and whānau feel a sense of tenure insecurity (Brown & Johnson, 2021). We note that only 15 percent of new Kainga Ora builds are required to meet full universal design standards (Kāinga Ora, 2019), and yet roughly 24 percent of New Zealanders identified as disabled in 2013 (Ministry of Health, 2013).</p>	
<p>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.</p>	Nil	<p>A 27 September 2021 Cabinet paper, Appendix Three, stated that "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 alongside the review of Working for Families. In June 2021, officials</p>	<p>No evidence of implementation.</p> <p>An upcoming review of the Accommodation Supplement has been announced alongside the review of Working for Families, but it is unclear what the objectives of the AS review are (RNZ, 2021a).</p>	<p>No change since November 2020.</p>

		provided advice setting out key concerns and seeking joint Ministers' feedback on the proposed scope and objectives for the review" (MSD, 2021d).		
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.	Detailed Recs 88-92 (see Table 4)	<p>In a 27 September 2021 Cabinet paper, Appendix Three, the Government stated that "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" (MSD, 2021d). The Cabinet paper appendix also stated that "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. ... On 23 March 2021, the Government announced new measures to increase the pace and scale of housing delivery to support more people into home ownership" (MSD, 2021d).</p> <p>*Ministry for Housing and Urban Development</p>	<p>Partial implementation</p> <p>Budget 2021 included a boost to funding for Māori housing initiatives including papakāinga housing and repairs to Māori-owned homes (NZ Government, 2021c). This investment is estimated to enable 2,700 new houses. Given that half of the 24,000 households on the state housing register as at June 2021 are Māori, due to ongoing colonisation and racism, this funding is not a silver bullet, but this announcement has had significant support from many Māori housing advocates (Astle, 2021; Kake, 2021). Research suggests that there are still significant gaps in policy that would enable Government to work closely with whānau, hapū and iwi to deliver on housing that meets the long-term needs of Māori (Boulton et al., 2021).</p> <p>Indeed there are major outstanding issues with access to housing support, for instance a lack of below-market rentals for households who are working for low wages, many of whom are living extremely unaffordable housing. There is also a lack of diversity of housing to meet people's particular needs, such as cultural requirements or accessibility-related requirements. For instance, in order to</p>	Progressed from minimal to partial implementation.

			enable Māori to practice manaakitanga (hospitality) and tautoko (support), housing must be big enough or flexible enough to accommodate more than just its immediate inhabitants (Boulton et al., 2021). As another example, disabled people with accessibility needs continue to struggle with a lack of choice with regards to housing (Brown & Johnson, 2021), meanwhile only 15 percent of new Kainga Ora builds are required to meet full universal design standards (Kāinga Ora, 2019).	
IMPROVING ACCESS TO EMPLOYMENT AND LABOUR MARKET SUPPORT				
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.	Detailed Recs 88-92 (see Table 4)	In response to key recommendations 35 and 36, a 27 September 2021 Cabinet paper, Appendix Three, pointed to Budget 2019 initiatives such as new frontline staff and boosting Mana in Mahi and Oranga Mahi places. The paper states that “Covid-19 affected the planned trajectory of implementing this vision [of supporting people into meaningful and sustainable employment], 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” (MSD, 2021d). The Cabinet paper stated that in response to Covid-19, MSD received increased funding for employment services including increasing frontline staff and	<p>Minimal implementation.</p> <p>While some steps have been taken to increase the effectiveness of employment services within MSD, WEAG recommended rebuilding a core employment service within MSD that “provides specialist employment support and ongoing pastoral support when needed”, and it does not appear that employment services have been fundamentally reformed.</p> <p>Some positive developments include:</p> <ul style="list-style-type: none"> - MSD expanding access to its employment services to all wishing to use them, not just existing MSD clients (MBIE & MSD, 2020) - The reinstatement of the Training Incentive Allowance in Budget 2021, which will support sole parents, carers and disabled people with the costs of study (NZ Government, 2021d) 	No change since November 2020.

		<p>expanding Flexi-Wage over the next two years.</p> <p>Through Budget 2021, the Government reports that funding was obtained for meeting increased demand for employment products and services, and reinstating the Training Incentive Allowance.</p> <p>The paper states that several longer-term workstreams are underway including the childcare assistance review, and developing and implementing the Employment Strategy Action Plans. The Government is also undertaking a cross-agency review of active labour market policies.</p>	<ul style="list-style-type: none"> - The growing number of Mana in Mahi placements (3,090 as at 30 April 2021 (Johnsen, 2021); however these still fall short of the initial 4,000 places announced in 2018) - The announcement of 263 new work-focused frontline staff in Budget 2019 (however in early 2020 it was reported that these new 'employment-focused' frontline staff were being diverted to working on emergency hardship grants because of increased hardship demand) (Coughlan, 2020) - The Māori Trades Training Fund, announced in 2020 to support community-led employment and training programmes (though despite \$50 million ring-fenced over two years from August 2020, as at May 2021, only \$3.26 million had been paid out, with \$11.4 million in funding approved; Johnsen, 2021) - The Oranga Mahi programme was introduced in 2016, with funding ring-fenced in Budget 2019 for the extension of trials of the programme (NZ Government, 2019). The programme does not appear to have yet progressed beyond the prototype stage (MSD, 2021j). 	
<p>36. Revamp active labour market, labour market, employment and training policies across government to make them more coherent and effective.</p>	<p>Detailed Recs 93-97 (see Table 4).</p>	<p>In response to key recommendations 35 and 36, a 27 September 2021 Cabinet paper, Appendix Three, pointed to Budget 2019 initiatives such as new frontline staff and boosting Mana in Mahi and Oranga</p>	<p>Partial implementation.</p> <p>As at November 2020, a review of Active Labour Market Programmes was being undertaken, and Regional Skills Leadership Groups had been developed.</p>	<p>Progressed from minimal to partial implementation</p>

		<p>Mahi places. The Cabinet paper appendix states that “Covid-19 affected the planned trajectory of implementing this vision [of supporting people into meaningful and sustainable employment], 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” (MSD, 2021d). The paper stated that in response to Covid-19, MSD received increased funding for employment services including increasing frontline staff and expanding Flexi-Wage over the next two years.</p> <p>Through Budget 2021, the Government reports that funding was obtained for meeting increased demand for employment products and services, and reinstating the Training Incentive Allowance.</p> <p>The paper states that several longer-term workstreams are underway including the childcare assistance review, and developing and implementing the Employment Strategy Action Plans. The Government is also undertaking a cross-agency review of active labour market policies.</p>	<p>Since then, the following positive developments have occurred:</p> <ul style="list-style-type: none"> - 15 permanent Regional Skill Leadership Groups with Te Tiriti-based co-chairs have been established. The major task is to produce a Regional Workforce Plan by June 2022 (MBIE, 2021). - Further Employment Action plans have and are being released. - The Reform of Vocational Education (RoVE) process continues which will strengthen the skills and training part of Active Labour Market Policies. As from 4 October the new Workforce Development Councils have been established (TEC, 2021) <p>Other Active Labour Market Programmes are being practiced through the Government’s Future of Work, Just Transition and Industry Transformation Plans but there looks to be little cohesion or coordination between these initiatives, the Employment Actions Plans, The Regional Workforce Plans and the plethora of employment programmes coming out of MSD, MBIE, TPK, MPP, DOC etc.</p>	
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<p>37. Strengthen the Ministry of Social Development's redundancy support policies to better support displaced workers.</p>	<p>Detailed Recs 98-100 (see Table 4)</p>	<p>In a 27 September 2021 Cabinet paper, Appendix Three, the Government highlighted various Covid-19 responses including the removal of stand-down periods for those eligible for a benefit between 23 March 2020 and 24 July 2021, and introducing the Covid-19 Income Relief Payment (MSD, 2021). The paper stated that "The Government has also undertaken 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."</p>	<p>Minimal implementation.</p> <p>Some progress was made in response to Covid-19, but many measures were temporary. The Covid-19 Income Relief Payment for those who lost work from 1 March 2020 due to Covid-19 was paid to people irrespective of their partner earnings (up to \$2,000 per week), temporarily strengthening support for many displaced workers whose partners were still earning. However, this has not applied to core benefits, and was only a temporary measure. There are significant equity concerns associated with this payment, particularly as those receiving it were disproportionately Pākehā compared with core benefits (Cardwell, 2020).</p>	<p>No change since November 2020.</p>
<p>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.</p>	<p>Detailed Recs 101-104 (see Table 4)</p>	<p>In a 27 September 2021 Cabinet paper, Appendix Three, the Government stated that "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" (MSD, 2021d).</p>	<p>No evidence of implementation.</p> <p>'Youth coaches' retain control over young people's money management as well as taking on a case management and mentoring role (Work and Income, n.d.).</p>	<p>No change since November 2020.</p>

<p>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.</p>	<p>Detailed Recs 101-104 (see Table 4)</p>	<p>In a 27 September 2021 Cabinet paper, Appendix Three, the Government stated that “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 ... and developing the cross-agency long-term insights briefing on youth at risk of limited employment” (MSD, 2021d)</p>	<p>Partial implementation.</p> <p>Since our last stocktake in November 2020, the Government has rolled out investment in various He Poutama Rangatahi projects, which focus on helping young people to overcome barriers to employment, education and training (Johnsen, 2021; NZ Government, 2021q,2021r)</p> <p>As at 30 April 2021, the total placements in Mana in Mahi were 3,090 (Johnsen, 2021), which is positive but still falls short of the initial announcement of 4,000 places in 2018.</p> <p>The Targeted Training and Apprenticeship Fund announced in 2020 in response to Covid-19 will be supporting some young people into apprenticeships, however this fund is only temporary, expiring in December 2022 (TEC, 2020a).</p> <p>Lower Jobseeker and Supported Living Payment rates remain for those under 25 and 18 respectively, despite WEAG recommending these be brought in line with the adult rates (see Detailed Recommendation 33).</p>	<p>Progressed from minimal to partial implementation</p>
<p>CREATING A FAIRER DEAL FOR PEOPLE WITH HEALTH CONDITIONS OR DISABILITIES AND CARERS</p>				
<p>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:</p>	<p>Detailed Recs 105-122 (see Table 4)</p>	<p>In a 27 September 2021 Cabinet paper, Appendix Three, the Government stated that “Funding for the disability sector was significantly increased in Budget 2020, specifically with the intent of improving access</p>	<p>Minimal implementation.</p> <p>Budget 2019 saw additional funding to support disabled people and people with health conditions into employment through Oranga Mahi, disability</p>	<p>No change since November 2020.</p>

<ul style="list-style-type: none"> • 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. 		<p>to services and alleviating financial pressure on them. Further work is required.”</p> <p>The Cabinet paper appendix also pointed to the subsequent work capacity medical certificate change to be implemented in January 2022, and more general changes to improve income adequacy that will benefit people with health conditions and disabilities accessing support from the welfare system.</p> <p>The Government also stated that “MSD is reviewing financial support and eligibility settings for current benefit payments for disabled people, people with health conditions and their carers” (MSD, 2021d).</p>	<p>Employment Services and Support Funds (MSD, 2019A). A Disability Employment Action Plan was released in July 2020, with a work programme laid out for 2020-2022.</p> <p>Budget 2021 provided no tailored support for people with disabilities. Supplementary income support entitlements for people with health conditions and disabilities remain inadequate, and have not yet been reviewed (Neuwelt-Kearns et al., 2020). The announcement of a Ministry for Disabled People (Ford, 2021) is positive, but must be sufficiently resourced and have good representation of disabled people within leadership roles in order to make substantial improvements to the wellbeing of disabled people and their families and whānau.</p>	
<p>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.</p>	<p>Detailed Rec 113 (see Table 4)</p>	<p>In a 27 September 2021 Cabinet paper, Appendix Three, the Government has stated that it “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 already underway” (MSD, 2021d).</p>	<p>No evidence of implementation.</p> <p>The relationship between the health and disability system and the accident compensation scheme was not included within the scope of the Health and Disability System Review.</p> <p>We note that as Wai 2575 (the Waitangi Tribunal for the Health Services and Outcomes Inquiry) concluded, “the intersection of indigeneity and disability leads to even further significant inequities for Māori with lived experience of disability” (King, 2019). Ongoing inaction in</p>	<p>No change since November 2020.</p>

			improving the disability system, and assessing the relationship between the ACC and the disability systems, disproportionately impacts whānau Māori who are overrepresented among those with disability and yet the most poorly served.	
STRENGTHENING COMMUNITY ORGANISATIONS AND VOLUNTEERING				
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.	Detailed Rec 123 (see Table 4)	<p>In a 27 September 2021 Cabinet paper, Appendix Three, the Government stated that “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.”</p> <p>The Cabinet paper appendix also stated that “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” (MSD, 2021d).</p>	<p>No evidence of implementation.</p> <p>In a 2019 report, accessed under OIA, officials advise against any formal linking of volunteering opportunities with benefit receipt, but suggest that there could be value in considering how Government can further support volunteering (MSD, 2020d).</p>	No change since November 2020.

Appendix B: Full list of WEAG’s Detailed Recommendations and the Government’s implementation progress as at November 2021

Summary of implementation progress of detailed recommendations within each chapter of Whakamana Tāngata

Topic	No degree of implementation	Minimally implemented	Partially implemented	Fully implemented	Number of Detailed recommendations (and their numbers)
Reforming social security Kia Piki Ake Te Mana Tangata	N/A	N/A	N/A	N/A	0
Delivering for Māori	N/A	N/A	N/A	N/A	0
Restoring trust with people using the welfare system	26	1	1	4	32 (1-32)
Achieving security requires adequate income	30	1	1	1	33 (33-65)
Alleviating the housing conundrum	21	0	1	0	22 (66-87)
Improving access to employment and labour market support	3	8	4	2	17 (88-104)
Creating a fairer deal for people with health conditions or disabilities and carers	19	1	1	1	22 (105-126)
Strengthening community organisations and volunteering	N/A	N/A	N/A	N/A	0
TOTAL	100	11	8	7	126

Theme	Detailed Recommendation <i>(N.B. numbers are our own, but reflect the order in which they appear in WEAG report)</i>	Relevant Key Rec(s) and or Chapter(s) (if any)	What the Government has reported	November 2021: evidence of implementation	Change in evidence of implementation since November 2020
RESTORING TRUST WITH PEOPLE USING THE WELFARE SYSTEM					
Mutual expectations framework	1. Reform the obligations and sanctions regime into a system of mutual expectations and responsibilities, apply these according to the circumstances of the individual and in a way that is consistent with the proposed purpose, principles and values. Strong checks to mitigate potential negative impacts on individuals and their families will be required. This new approach is strongly connected to improving wellbeing and supporting the increased skills and labour market capacity of the individual and family or whānau.	Key Rec 10; Ch 6	In a 27 September 2021 Cabinet paper, Appendix Three, the Government stated that “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” (MSD, 2021d).	<p>No evidence of implementation.</p> <p>A mutual expectations framework has not been developed, and the system still relies heavily on sanctions and obligations.</p> <p>In a July 2019 report released under OIA, Government officials explained what MSD is doing to implement a mutual expectations approach to their work. Examples given were largely prior to the publication of Whakamana Tāngata (e.g. establishment of a Client Commitment). Officials stated that they would explore options to strengthen expectations of MSD in legislation, as part of the medium to long-term work programme of reassessing the purposes and principles of the Act (MSD, 2020d).</p>	No change since November 2020.

Obligations and sanctions removal	2. Remove the requirement to complete specific activities before a benefit is granted (pre-benefit activities)	Key Rec 11; Ch 6	No indication that this particular obligation is being reviewed.	No evidence of implementation. This requirement remains in place.	No change since November 2020.
	3. Remove the sanction where benefit payments stop if people have a warrant out for their arrest, and continue data matching with the Ministry of Justice and take a proactive supportive approach to contacting these people		A 27 September 2021 Cabinet paper, Appendix Three, stated that “In mid-2021, MSD provided advice regarding Phase One of the review of obligations and sanctions, which focuses on pre-employment drug-testing obligations, warrant to arrest sanctions, and social obligations. This work is ongoing” (MSD, 2021d).	No evidence of implementation. This sanction remains in place.	No change since November 2020.
	4. Remove social obligations that require people receiving a benefit to take all reasonable steps to have their children enrolled with a medical practice, be up to date with their Wellchild/Tamariki Ora checks and be attending early childhood education or school		A 27 September 2021 Cabinet paper, Appendix Three, stated that “In mid-2021, MSD provided advice regarding Phase One of the review of obligations and sanctions, which focuses on pre-employment drug-testing obligations, warrant to arrest sanctions, and social obligations. This work is ongoing” (MSD, 2021d).	No evidence of implementation. These obligations remain in place.	No change since November 2020.
	5. Remove pre-employment drug testing and provide specialised support for people with substance use disorders		A 27 September 2021 Cabinet paper, Appendix Three, stated that “In mid-2021, MSD provided advice regarding Phase One of the review of obligations and sanctions, which focuses on pre-employment drug-	No evidence of implementation. This requirement remains in place.	No change since November 2020.

			testing obligations, warrant to arrest sanctions, and social obligations. This work is ongoing” (MSD, 2021d).		
	6. Remove the mandatory work ability assessment for people with health conditions or a disability and link workability assessments to return to work plans		A Budget 2021 bid has been approved to amend the subsequent work capacity certificates process for those on Jobseeker Support – Health Condition and Disability (MSD, 2020d).	Partial implementation. As part of Budget 2021, it was announced that the mandatory work ability assessment for people with health conditions or will change as of 31 January 2022. Rather than requiring people on Jobseeker Support – Health Condition and Disability to provide medical certificates every four weeks for two months, and then every 13 weeks subsequently, under the new process, the client’s health provider will have flexibility to recommend time in between medical reviews (MSD, 2021k). There is no evidence of linking these workability assessments with a return to work plan.	Progressed from no implementation to partial implementation.
	7. Remove the requirement to reapply for a benefit every 52 weeks – MSD is expected to provide full and correct entitlements through regular reviews (at least annually)		In November 2019, the Government stated that “further advice” would be sought on the 52-week reapplication requirement (MSD, 2019A). No further indication of reform has been given.	No evidence of implementation. This obligation remains in place.	No change since November 2020.
	8. Remove work obligations when an additional child is included in a benefit (the subsequent child rule)		In July 2020, the Government announced that the subsequent child policy would be removed. This came into effect on 8 November 2021 (MSD, 2020a).	Fully implemented. The removal of this policy has been scheduled for November 2021. However, the delay of 16 months from announcement means more children were	Progressed from no implementation to full implementation.

				unnecessarily disadvantaged by this punitive sanction.	
	9. Remove the sanction on not naming another parent (was section 70A in the Social Security Act 1964 and is now section 192 of the Social Security Act 2018).		In May 2019, the Government announced that they would be abolishing the sanction for solo mothers who refuse to name the father of their child. This policy came into effect on 1 April 2020 (MSD, 2019Ab).	Fully implemented. This sanction has been removed, but we note that the requirement to apply for Child Support has not been removed.	No change since November 2020.
Resourcing and other processes of the public-facing, frontline service are consistent with the new purpose and principles	10. Resource frontline services to the level required to achieve outcomes as a priority.	Key Rec 12; Ch 6	In a 27 September 2021 Cabinet paper, Appendix Three, the Government stated that it is “already making changes to improve frontline services in line with recommendation 12 and will continue to do so.” It stated that “Additional funding for further frontline staff and employment services to support an increase in demand was received as part of Budget 2020” and “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 services centres be a more welcoming and accessible environment” (MSD, 2021d).	Minimally implemented. In early 2020 it was reported that these new ‘employment-focused’ frontline staff announced in Budget 2019 were being diverted to working on emergency hardship grants because of increased hardship demand. As a result, the level of engagement with case managers per beneficiary was down, not up, following this announcement (Coughlan, 2020). Given that WEAG reported based on consultation with staff and welfare recipients that MSD has a “severely under-resourced workforce”, significant work remains to ensure frontline services have sufficient time with clients and have access to skills and systems training. Further, increases in resourcing have been centred only on those frontline staff who are focussed on getting people into work, rather than all frontline services.	No change since November 2020.
	11. Implement an ongoing, comprehensive, active and agile staff training strategy.			No evidence of implementation.	No change since November 2020.

	12. Adopt an improved and accessible complaints process that is measured by a satisfactory restoration of the relationship between the parties.			No evidence of implementation. Multiple frontline organisations unsuccessfully requested a social services select committee inquiry into Work and Income’s “inhumane” practices in Sept 2021 (Save the Children, 2021).	No change since November 2020.
	13. Make the review process simpler, speedier and more accessible, and ensure the principle of natural justice is observed.			No evidence of implementation.	No change since November 2020.
	14. Make a further hearing at the Social Security Appeal Authority available to those who take an unsuccessful claim to the Medical Appeals Board.			No evidence of implementation.	No change since November 2020.
	15. Assign people likely to be in long-term receipt of a benefit or with complex needs a dedicated case manager, and give such case managers small caseloads so they can adequately address the wellbeing of the person in need and their family or whānau.			No evidence of implementation.	No change since November 2020.
	16. Resource the workforce adequately, and streamline systems in consultation with the frontline workforce to improve work flow and recipient service experience.			No evidence of implementation.	No change since November 2020.
	17. Put people at the centre of decision making, seek feedback from staff about how system changes affect their roles, and empower staff to work proactively to enhance the mana of benefit recipients			No evidence of implementation.	No change since November 2020.

	18. Provide multiple channels for service so applicants can access assistance through whichever channel they are most comfortable using.			No evidence of implementation.	No change since November 2020.
	19. Take a Whānau Ora-type approach where the complexity of a person's situation means multiple agencies are involved and skilled navigators support the person's interactions with the agencies and community organisations.			No evidence of implementation.	No change since November 2020.
Ways to minimise the creation of overpayments and reduce overall indebtedness	20. Review all hardship payments and ensure eligibility is in line with the new purpose and principles of the Social Security Act.	Key Recs 14, 15 and 16; Ch 6	In a 27 September 2021 Cabinet paper, Appendix Three, the Government reported that "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" (MSD, 2021d).	No evidence of implementation.	No change since November 2020.
	21. Give MSD the mandate to improve, simplify and redesign practice around income declarations.			No evidence of implementation.	No change since November 2020.
	22. Increase funding for community initiatives that promote financial literacy and for debt reduction, such as no interest, no fee and debt consolidation loans.			Fully implemented [Erratum: our November 2020 stocktake stated no evidence of implementation, which was not correct] Budget 2020 included an investment of \$39.2 million over four years in Building Financial Capability services (MSD, 2020e). This includes supporting increased demand for financial mentoring services and expanding specialist debt services.	Fully implemented. No change since November 2020.
	23. Introduce a scheme of incentivising benefit debt repayment, such as a Matched Debt Reduction Scheme, to reduce outstanding benefit debt.			No evidence of implementation. According to data accessed under OIA request, outstanding benefit debt continues to rise; as at June 2021, the	No change since November 2020.

			seeking alignment of approaches to interest and penalty rates, as well as approaches to write-off, across agencies (MSD, 2019a).	median debt of benefit recipients was up 24% since June 2019, and the number of clients with debts rose 19% between June 2019 and 2021 (MSD, 2021f).	
	24. Review internal performance measures relating to debt, to bring them in line with the new purpose and principles.			No evidence of implementation.	No change since November 2020.
Minimising the small amount of fraud	25. Endorse MSD's three-tiered approach towards alleged fraud.	Key Rec 17; Ch 6	A 27 September 2021 Cabinet paper stated that "The Minister of Social Development and Employment endorsed MSD's approach to fraud, as suggested in recommendation 17, and will continue to ensure fraud is handled appropriately."	Fully implemented.	No change since November 2020.
	26. Introduce independent review proceedings prior to a Benefit Review Committee for prosecution investigations.			No evidence of implementation.	No change since November 2020.
	27. Explore and align prosecution practice with Inland Revenue's approach to prosecution.			No evidence of implementation.	No change since November 2020.
Improving the service provided to people released from prison	28. Scale up the Supporting Offenders into Employment intervention and MSD's reintegration efforts, in conjunction with the Department of Corrections.	Key Rec 18; Ch 6	In a 27 September 2021 Cabinet paper, Appendix Three, the Government stated that "This is primarily being handled by the Department of Corrections". The paper also stated that "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,	No evidence of implementation.	No change since November 2020.
	29. Pastoral care for people released from prison should be increased.			No evidence of implementation.	No change since November 2020.
	30. Review and increase the current value of the Steps to			No evidence of implementation.	No change since

	Freedom grant, to ensure it is adequate for basic living costs, including housing.		secure and sustain employment and reduce recidivism” (MSD, 2021d).		November 2020.
	31. Monitor and ensure prisoners have the appropriate documentation to obtain income support or work on release (for example, an official form of identification, a driver’s licence, bank account, contact details).			No evidence of implementation.	No change since November 2020.
	32. Consider continuing housing cost assistance for people entering prison for a short period, on remand or in custody.			No evidence of implementation.	No change since November 2020.
ACHIEVING SECURITY REQUIRES ADEQUATE INCOME					
Main benefits	33. Remove youth rates of main benefits. Increase Jobseeker Support for under 24 years living away from home (and the rate of Youth Payment) to match the rate for people 25 and older, and increase Supported Living Payment for 16–17 year-olds to the rate for people aged 18 and over.	Key Rec 19; Ch 7	In a 27 September 2021 Cabinet paper, Appendix Three, the Government stated that “The income support system has experienced several changes since the release of WEAG report to align with the 10 principles outlined in recommendation 19” (MSD, 2021d). The Cabinet paper states that these principles have underpinned changes such as increases in benefits and benefit abatement thresholds, as well as amending the medical certificate process for work capacity assessment. The Cabinet paper appendix also stated “These principles continue to inform ongoing work including	No evidence of implementation. Despite Budget 2021 benefit increases, single youth rates (18-24 years) remain lower than adult rates. Youth payment rates: Jobseeker Support benefits for both single people 18-19 years living away from home and 20-24 year olds are well below the 25 years and over rate. This is contrary to WEAG’s recommendation that these be brought in line with the adult rates. WEAG’s reason was that there is no evidence that living costs are significantly lower for single young people 18-24 years old than for people 25years+.	No change since November 2020.
	34. Remove initial income stand-down periods.			Minimal implementation.	No change since

			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.”	In 2020, the Government removed stand-down periods as a response to Covid-19, for those eligible for a benefit between March and November (Work and Income, 2020), and then reinstated it to July 2021 (Social Security (COVID-19 Recovery—Exemption from Stand Down, and Expiry and Regrant of Benefits) Amendment Regulations 2020). However, this was a temporary measure.	November 2020.
	35. Remove the 13-week non-entitlement period for voluntary unemployment.		In the Cabinet paper appendix, the Government has stated “There are significant implications for studying and training incentives by raising these rates, that require careful consideration” (MSD, 2021d).	No evidence of implementation.	No change since November 2020.
	36. Remove the 30-hour rule.			No evidence of implementation.	No change since November 2020.
	37. Introduce individual entitlement to Jobseeker Support while retaining a couple-based income test.			No evidence of implementation.	No change since November 2020.
	38. Keep sole parents on Sole Parent Support until their youngest child turns 18 (rather than switching them to Jobseeker Support once their youngest child turns 14).			No evidence of implementation.	No change since November 2020.
	39. Consider changing the name of Jobseeker Support – Health Condition or Disability to better reflect people’s needs (for example, Health Support).			No evidence of implementation.	No change since November 2020.
Hardship assistance	40. Increase income and asset limits to allow a larger proportion of low-income working people to access payments.	Key Rec 24; Ch 7	A 27 September 2021 Cabinet paper, Appendix Three, stated that “The review of Hardship Assistance is underway” (MSD, 2021d).	No evidence of implementation.	No change since November 2020.

	41. Review and increase grant limits so they cover current costs, including for emergency dental treatment.			No evidence of implementation. In 2020, increasing the grant limit for dental treatment was a pre-election promise for Labour, but following Budget 2021 this has still not been delivered (Coughlan, 2021).	No change since November 2020.
	42. Make a larger proportion of payments non-recoverable (for example, those for the costs of school uniforms).			No evidence of implementation. Recoverable assistance is still used. Beneficiary debt to MSD has risen with the median amount of client debts up 10% in June 2021 compared to June 2020 (MSD, 2021f).	No change since November 2020.
	43. Review the Temporary Additional Support formula, including the accommodation loading and maximum amount, so it adequately covers costs.			No evidence of implementation.	No change since November 2020.
Income definition	44. Align definitions of income and assets with those established by Inland Revenue, unless there are clear and robust reasons for a different definition.			No evidence of implementation.	No change since November 2020.
	45. Treat earnings-related compensation from ACC the same as other income from work in the benefit system.			No evidence of implementation.	No change since November 2020.
	46. Review how income is measured and allocated to people, including assessment periods – especially in the treatment of lump-sum payments, retrospective payments, joint investments and annual business income.			No evidence of implementation.	No change since November 2020.

Family Tax Credit	47. Align shared care rules for the Family Tax Credit with child support – 35% of care.	Ch 7	As part of Budget 2021 announcements, the Government signalled that it would be working on a review of the Working for Families package (RNZ, 2021a). In a 27 September 2021 Cabinet paper, Appendix Three, the Government stated that “Advice on the scope, scale and timing of the review was provided to joint ministers in April 2021” (MSD, 2021d).	No evidence of implementation. A parent who provides care for a child at least 28% of the time can have this taken into account for child support calculations (IRD, 2020).	No change since November 2020.
	48. Extend the 4 weeks ‘terminal payment’ to the Family Tax Credit.			No evidence of implementation.	No change since November 2020.
	49. Consider how increases in the Family Tax Credit should impact on the rates of Unsupported Child’s Benefit and Orphan’s Benefit.			No evidence of implementation.	No change since November 2020.
Best Start Tax Credit	50. Consider changing the interaction between Best Start and Paid Parental Leave to avoid overpayments.	Ch 7		No evidence of implementation.	No change since November 2020.
Child Tax Credit	51. Repeal the Child Tax Credit	Ch 7		No evidence of implementation.	No change since November 2020.
Childcare Assistance	52. Change the definition of income to remove other non-taxable transfer payments (for example, Accommodation Supplement, Disability Allowance and Temporary Additional Support).	Ch 7	In a May 2021 Cabinet paper released to CPAG under OIA, MSD officials indicated that a review of Childcare Assistance will be considered alongside the upcoming review of Working for Families as a	No evidence of implementation.	No change since November 2020.

	53. Improve take-up by promoting greater awareness to working families, alongside Inland Revenue (given its role in administering Working for Families).		separate, but related, workstream (MSD, 2021i).	No evidence of implementation.	No change since November 2020.
	54. Review subsidy rates (and their interaction with minimum session times in childcare and Out of School Care and Recreation (OSCAR) services), to determine if they are adequately subsidising costs, and increase the rates if they are inadequate.			No evidence of implementation.	No change since November 2020.
	55. Consider increasing income thresholds to provide greater subsidisation of childcare costs for low- and middle-income working families, so that effective marginal tax rates for these families are not too high.			Partial implementation. From 1 April 2022, the income thresholds for Childcare Assistance will be adjusted annually in line with average wage growth (NZ Government, 2021a). While this change does not account for the drop in relative value of these thresholds over time since the National-led Government froze them in 2010, it ensures that from April 2022 these thresholds will keep pace with growth in wages for low- and middle-income families.	Progressed from no evidence to partial implementation since November 2020.
Child support	56. Treat child support received as income for benefit abatement (already income for the Family Tax Credit).	Ch 7	Regarding key recommendation 27, a 27 September 2021 Cabinet paper, Appendix Three, stated that “Work on the child support pass-on proposal was paused in early 2020 due to the impact of COVID-	No evidence of implementation. ⁹	No change since November 2020.
	57. Treat child support paid as a reduction in income for benefit			No evidence of implementation.	No change since

⁹ For a discussion of the consequences of no implementation see Duff, Michelle, 3 Oct 2021: The mothers struggling to feed their babies while the state keeps all their child support <https://www.stuff.co.nz/national/300418067/the-mothers-struggling-to-feed-their-babies-while-the-state-keeps-all-their-child-support?rm=a>

	abatement (already a reduction in income for the Family Tax Credit).		19. Work is currently underway” (MSD, 2021d).		November 2020.
	58. Remove compulsory application for child support (except for recipients of Unsupported Child’s Benefit).		As part of the Child Support Amendment Act changes implemented in March 2021, the IRD improved access to myIR for child support administration, including enabling customers to apply for child support online. This enables the IRD to pre-populate information that they already have on hand, making the application process easier for people.	No evidence of implementation.	No change since November 2020.
	59. Shorten the application form and make more application options available (for example, online).			Full implementation As part of the Child Support Amendment Act changes implemented in March 2021, the IRD improved access to myIR for child support administration, including enabling customers to apply for child support online. This enables the IRD to pre-populate information that they already have on hand, making the application process easier for people.	Progressed from no evidence of implementation to full implementation.
	60. Review the expenditure table to reflect changes in Family Tax Credit payments.			No evidence of implementation.	No change since November 2020.
Shared care	61. Align shared and split care rules for main and supplementary payments with the Family Tax Credit and child support.	Ch 7		The Government stated in November 2019 that they “intend to seek further advice on recognising split-care and shared care arrangements in the welfare system” (MSD, 2019a).	No evidence of implementation. Currently, in the benefit system shared care only applies when the child lives with parents for at least 40% of the time (compared to 35% for the Family Tax Credit, and 28% for child support).
Ensuring benefit settings have less impact on partnering decisions	62. Allow a 6-month period (rather than the current 6 weeks) after people move in together as a couple before a relationship is deemed to exist for the purposes of determining benefit eligibility.	Key Rec 28; Ch 7	In a 27 September 2021 Cabinet paper, the Government stated that “MSD is 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.”	No evidence of implementation. We note that it appears MSD is taking a less intrusive approach towards investigating relationship fraud, however the uncertainty under current settings still leaves benefit recipients stressed and upset (Robson, 2021). Minister Sepuloni	No change since November 2020.

				has stated that she has requested policy advice on relationship settings, but would not put a timeframe on when changes might be implemented.	
	63. Do not deem two people who do not live together as being in a relationship for the purposes of welfare support.			No evidence of implementation.	No change since November 2020.
	64. Investigate other moves towards greater neutrality in respect of relationship status, including increased individualisation of benefit entitlement, bringing the couple rate of benefit closer to two times the single rate, and improving alignment between the approach taken by MSD and in other legislation.			No evidence of implementation.	No change since November 2020.
	65. Consider introducing a short-term entitlement (for example, 6 months) to a main benefit for partnered people who lose their jobs or incomes (due to redundancy, a health condition or disability, or a health condition or disability of a dependent child) through an earnings disregard of their partner's income (up to a cap of around \$48,000 a year) for this period.			No evidence of implementation. The Covid-19 Income Relief Payment for those who lost work from 1 March 2020 was paid to people irrespective of their partner earnings (up to \$2,000 per week), temporarily strengthening support for displaced workers whose partners were still earning. However, this has not applied to main benefits, and was only a temporary measure.	No change since November 2020.
ALLEVIATING THE HOUSING CONUNDRUM					
Subsidising housing costs for those on low incomes	66. Improve housing subsidies by extending the period from 2 months to 6 months before income-related rent for public housing is increased after the tenant moves into employment	Key Rec 33; Ch 8	A 27 September 2021 Cabinet paper, Appendix Three, stated that "The review of housing subsidies remains under the medium to longer-term work programme. Advice on Accommodation	No evidence of implementation.	No change since November 2020.

	67. Improve housing subsidies by changing the way Accommodation Supplement payments are calculated, so indexing maintains relativity with housing costs, and removing differences between renters and homeowners.		Supplement (AS) continues to be a focus in the review and has been brought forward 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" (MSD, 2021d).	No evidence of implementation.	No change since November 2020.
	68. For the Accommodation Supplement, increase the maxima to the median regional rental rates (for the latest year available).			No evidence of implementation.	No change since November 2020.
	69. For the Accommodation Supplement, review the maxima and the area locations annually to maintain the value of the payments with changes in median rental rates in different parts of the country over time.			No evidence of implementation.	No change since November 2020.
	70. For the Accommodation Supplement, decrease the co-payment rate from 30% to 25% (that is, increase the Government contribution from 70% to 75%).			No evidence of implementation.	No change since November 2020.
	71. For the Accommodation Supplement, decrease the entry threshold for homeowners from 30% to 25% to align with renters.			No evidence of implementation.	No change since November 2020.
	72. Allow people who are studying (and meet the criteria for Student Allowance) but who do not receive Student Allowance, to apply for Accommodation Supplement.			No evidence of implementation.	No change since November 2020.
	73. Increase the cash asset limit on Accommodation Supplement to \$42,700, to align with the cash asset limit for social housing.			No evidence of implementation.	No change since November 2020.

	74. Index the Accommodation Supplement cash asset limit to maintain relativity over time.			No evidence of implementation.	No change since November 2020.
	75. Remove the cash asset abatement test for Accommodation Supplement.			No evidence of implementation.	No change since November 2020.
	76. Amend the definition of cash asset for the Accommodation Supplement to exclude the proceeds from the sale of a house, for a reasonable period, to allow the person to re-enter the housing market, taking account of any special requirements or modifications the person or their family may require to a house.			No evidence of implementation.	No change since November 2020.
	77. Improve the take-up rate of Accommodation Supplement and Temporary Additional Support for non-benefit recipients through greater cooperation with Inland Revenue, better use of its information, and increased publicity and proactive activity.			No evidence of implementation.	No change since November 2020.
	78. Increase the flexibility in the requirement to review and renew Temporary Additional Support when assessments relate to housing costs, with reviews between 3 and 12 months tailored to individual circumstances, and accordingly rename, such as 'Tailored Additional Support'.			No evidence of implementation.	No change since November 2020.

	79. Ensure the combination of changes to housing support and abatement rates, alongside other income support, make low- and low-middle income households substantially better off.			No evidence of implementation.	No change since November 2020.
Government to undertake further work	80. Determine the impact on low-income households of maintaining levels of Accommodation Supplement for a reasonable period for beneficiaries who move into full-time work, so they are well supported to remain in work and able to clear debts and build savings, similar to the recommendation on income-related rent subsidy.	Ch 8	A 27 September 2021 Cabinet paper, Appendix Three, stated that “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 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” (MSD, 2021d).	No evidence of implementation.	No change since November 2020.
	81. Change the way Accommodation Supplement payments are calculated to move away from family size to being based on the number of bedrooms, including allowing bedroom space for a disability support person and for children in shared custody, and determine the impact of this change on low-income households.			No evidence of implementation.	No change since November 2020.
	82. Review the level of the cash asset limit for the income-related rent subsidy and Accommodation Supplement, to maintain the principle that it allows people to save for a mortgage deposit for a median-priced house.			No evidence of implementation.	No change since November 2020.

	83. Review, as the supply-side measures increase and affordability improves, the roles of MSD, Housing New Zealand and the Ministry of Housing and Urban Development to consider whether an integrated, single-agency approach to housing might be preferable.			No evidence of implementation.	No change since November 2020.
	84. Review the housing assessment and allocation process so there is an appropriate balance between placing locals waiting to be housed and high-needs households from outside the region.			No evidence of implementation.	No change since November 2020.
Home ownership and tenure options and ending homelessness	85. Consider facilitating innovative thinking and action to increase home ownership through rent-to-buy schemes, shared equity schemes, low-interest rate loans or fixed mortgages, microfinancing and similar	Key Recs 30, 31 and 34; Ch 8	In a 27 September 2021 Cabinet paper, Appendix Three, the Government stated that “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” (MSD, 2021d). The Cabinet paper appendix also stated that “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. ... On 23 March 2021, the Government	Partial implementation Detailed Recommendation 85 has been partially implemented through the Progressive Home Ownership Fund. The Government predicted that its Progressive Home Ownership scheme, announced in 2020, would help between 1,500 and 4,000 households, with priority given to Māori, Pacific peoples, and families with children (MHUD, 2020). However, in the seven months since the launch of the scheme to February 2021, the scheme had housed just 12 families (RNZ, 2021b). Even if the original target is indeed met, the scale of this programme remains small in the context of the scale of the housing crisis, and the extent of inequities for Māori and Pacific peoples. Significant work remains to be done to	No change since November 2020.

			announced new measures to increase the pace and scale of housing delivery to support more people into home ownership” (MSD, 2021d).	ensure home ownership is affordable for more New Zealanders.	
	86. Request Housing New Zealand to develop affordable options for tenants to purchase their state house.			No evidence of implementation. Since 2015 a Tenant Home Ownership scheme has been in place that offers a grant of 10 percent, up to a maximum of \$20,000, towards the purchase price of selected Kāinga Ora houses, excluding those in Auckland, Wellington, Christchurch, Hamilton and Tauranga (Kāinga Ora, 2020).	No change since November 2020.
	87. These approaches must be based on achieving equity in housing outcomes, including ownership, for Māori and Pacific People. This should result in culturally appropriate rental and ownership housing, including household size and function, and include papakāinga options.			Partial implementation. The Progressive Home Ownership Fund, specifically aims to address affordability for Māori, Pacific peoples and families with children. Budget 2021 included a boost to funding for Māori housing initiatives including papakāinga housing and repairs to Māori-owned homes (NZ Government, 2021c). This investment is estimated to enable 27,000 new houses, and is a positive step towards addressing inequitable housing outcomes for Māori.	No change since November 2020.
IMPROVING ACCESS TO EMPLOYMENT AND LABOUR MARKET SUPPORT					
An effective employment service	88. Institute a new operating model that provides people at risk of poor labour market outcomes (including Māori, Pacific People, people with health conditions or disabilities, and people whose jobs	Key Recs 35 and 36; Ch 9	In response to key recommendations 35 and 36, a 27 September 2021 Cabinet paper, Appendix Three, pointed to Budget 2019 initiatives such as new frontline staff and boosting Mana	Partial implementation. Budget 2019 initiatives indicated partial implementation, including additional funding to support people with health conditions and disabled people into	No change since November 2020.

	have been made redundant) with proactive and sustained support to obtain good, sustainable work.		in Mahi and Oranga Mahi places. The paper states that “Covid-19 affected the planned trajectory of implementing this vision [of supporting people into meaningful and sustainable employment], 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” (MSD, 2021d). The paper stated that in response to Covid-19, MSD received increased funding for employment services including increasing frontline staff and expanding Flexi-Wage over the next two years.	employment through Oranga Mahi, disability Employment Services and Support Funds (NZ Government, 2019).	
	89. Increase significantly investment (with appropriate monitoring and reporting) in active labour market programmes.			Minimal implementation. Active Labour Market Programmes are being practiced through the Government’s Future of Work, Just Transition and Industry Transformation Plans but there looks to be little cohesion or coordination between these initiatives, the Employment Actions Plans, The Regional Workforce Plans and the plethora of employment programmes coming out of MSD, MBIE, TPK, MPP, DOC etc.	Progressed from no evidence to minimal implementation.
	90. Establish a dedicated deputy Chief Executive for employment in MSD.			No evidence of implementation.	No change since November 2020.
	91. Provide sufficient numbers of well-trained, well-resourced, regional labour market managers and specialist employment case managers in MSD.		Through Budget 2021, the Government reports that funding was obtained for meeting increased demand for employment products and services, and reinstating the Training Incentive Allowance. The 27 September 2021 Cabinet paper states that several longer-term workstreams are underway including the childcare assistance review, and developing and implementing the Employment	Minimal implementation. Given longstanding under-resourcing of MSD’s frontline services (WEAG, 2019), further investment will be required beyond the hiring of 263 new frontline staff. Moreover, in early 2020 it was reported that these new ‘employment-focused’ frontline staff announced in Budget 2019 were being diverted to working on emergency hardship grants because of increased hardship demand. As a result, the level of engagement with case managers per beneficiary was down, not	No change since November 2020.

			Strategy Action Plans. The Government is also undertaking a cross-agency review of active labour market policies.	up, following this announcement (Coughlan, 2020).	
	92. Provide public employment services to people at risk of becoming unemployed.			No evidence of implementation.	No change since November 2020.
Revamp of Active Labour Market Programmes, labour market and training policies	93. Review a whole-of-government approach to labour market, training and vocational education (with MSD as an integral partner) with MBIE, Te Puni Kōkiri, Ministry of Pacific Peoples, Tertiary Education Commission, Careers New Zealand, polytechnics, industry training organisations, and regional and local government.	Key Recs 35 and 36; Ch 9	In response to key recommendations 35 and 36, a 27 September 2021 Cabinet paper, Appendix Three, pointed to Budget 2019 initiatives such as new frontline staff and boosting Mana in Mahi and Oranga Mahi places. The paper states that “Covid-19 affected the planned trajectory of implementing this vision [of supporting people into meaningful and sustainable employment], 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” (MSD, 2021d). The paper stated that in response to Covid-19, MSD received increased funding for employment services including increasing frontline staff and expanding Flexi-Wage over the next two years.	Full implementation. The Government initiated an All-of-Government Employment Strategy in 2019 and a review of Active Labour Market Programmes. It has undertaken a complete review of Vocational Education (RoVE) through the Ministry of Education and Tertiary Education Commission (TEC, 2020b).	No change since November 2020.
	94. Establish national and regional advisory groups of the social partners (government-business-union), iwi and regional and local government to implement employment and active labour market policies at a national and regional level.			Full implementation. The Government announced Independent Regional Skills Leadership Groups in June 2020.	No change since November 2020.
	95. Resource and develop a portfolio of labour market programmes that is driven by local labour market conditions, evidence based, and informed by all relevant national and local labour market data.			Partial implementation. Budget 2019 included the extension of places available through Mana in Mahi for young people to access an apprenticeship or industry training qualification. The Government is continuing to develop a portfolio of labour market programmes, especially as a response to Covid-19.	No change since November 2020.

	<p>96. Access the best international data and programmes so New Zealand is well placed for a future labour market in which more people might more frequently transition in and out of work and where there is a greater need to support workers to re-skill or up-skill due to displacement or moving in or out of casual work.</p>		<p>Through Budget 2021, the Government reports that funding was obtained for meeting increased demand for employment products and services, and reinstating the Training Incentive Allowance.</p> <p>The paper states that several longer-term workstreams are underway including the childcare assistance review, and developing and implementing the Employment Strategy Action Plans. The Government is also undertaking a cross-agency review of active labour market policies.</p>	<p>Partial implementation.</p> <p>Review of active labour market programmes was undertaken and advice was to be provided to Ministers in early 2020 as part of this 'multi-year work programme'.</p> <p>The Government is making progress on accessing the best international data and programmes for people more frequently transitioning in and out of work, and has established a Just Transition Unit within MBIE (MBIE, 2020), as well as a tripartite Future of Work programme supported by the Treasury (Treasury, 2020).</p>	<p>No change since November 2020.</p>
	<p>97. Make labour market programmes and work far more accessible for disabled people.</p>			<p>Minimal implementation.</p> <p>Budget 2019 initiatives suggest minimal implementation, including additional funding to support people with health conditions and disabled people into employment through Oranga Mahi, disability Employment Services and Support Funds. However, this falls short of making labour market programmes and work 'far more accessible' for disabled people. The gap in the unemployment rate for disabled people compared to non-disabled people has grown between June 2020 and June 2021 (Stats NZ, 2020, 2021b).</p>	<p>No change since November 2020.</p>
Loss of employment	<p>98. Establish a short-term (for example, 6 months) benefit for partnered people who lose their jobs or incomes (for example, due to</p>	Key Rec 37; Ch 9	<p>In a 27 September 2021 Cabinet paper, Appendix Three, the Government highlighted various Covid-19 responses including the</p>	<p>Minimal implementation.</p> <p>The 12-week Covid Income Relief Payment partially fulfilled this recommendation for</p>	<p>No change since November 2020.</p>

	<p>redundancy) through an earnings disregard of their partner's income (up to a cap) for this period (see the Detailed Recommendations table in chapter 7).</p>		<p>removal of stand-down periods for those eligible for a benefit between 23 March 2020 and 24 July 2021, and introducing the Covid-19 Income Relief Payment (MSD, 2021d). The Cabinet paper appendix stated that "The Government has also undertaken 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)."</p>	<p>those who lost work on or after 1 March 2020, by disregarding partner income up to a high cap, however this measure was only temporary and was not extended to all on core benefits (Cardwell, 2020).</p>	
	<p>99. Adequately fund redundancy support programmes, which include a suite of free or subsidised training and education courses, for workers who experience redundancy.</p>			<p>Minimal implementation.</p> <p>The Government announced a Targeted Training and Apprenticeship fund in 2020 in response to Covid-19 which enables people to access sub-degree level training for free in growing industries; however, this scheme is temporary, and is scheduled to finish on 31 December 2022 (TEC, 2020a).</p>	<p>No change since November 2020.</p>
	<p>100. Ensure people can resume benefits readily (to allow for unpredictable changes in income and to provide people with confidence to take up employment), including removal of income stand-down periods.</p>			<p>Minimal implementation.</p> <p>The Government's removal of stand-down periods as part of the Covid-19 response was a temporary measure (Devlin, 2020).</p>	<p>No change since November 2020.</p>
<p>Young people supported to be earning, learning and, where they are parents, caring</p>	<p>101. Increase investment in well-coordinated and youth development-focused programmes to help young people into education, training, alternative employment opportunities or volunteering.</p>	<p>Key Recs 38 and 39; Ch 9</p>	<p>In a 27 September 2021 Cabinet paper, Appendix Three, the Government stated that "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 ... and developing the cross-</p>	<p>Minimal implementation.</p> <p>After initial investments in Budget 2020, the Government has since rolled out further funding to support rangatahi into employment, most recently in August 2021 (RNZ, 2021c). While some of this funding is for the Māori Trades Training initiative, which is not exclusively for rangatahi, the funding has also expanded He Poutama Rangatahi – a cross-agency initiative specifically aimed at rangatahi at risk of long-term unemployment. The extra funding has meant the programme, initially</p>	<p>Progressed from no evidence to minimal implementation.</p>

			agency long-term insights briefing on youth at risk of limited employment” (MSD, 2021d).	<p>piloted in provincial areas, can expand into urban areas, where the largest numbers of rangatahi not in education, training or employment live.</p> <p>However, WEAG (2019, p.132) described youth employment initiatives as “uncoordinated, scattered across many agencies and patchy throughout the country”, describing many instances of initiatives not achieving their desired results. While He Poutama Rangatahi has been scaled up, it does not appear that this approach to youth employment initiatives has substantially changed beyond the patchwork approach that WEAG described.</p>	
	102. Tailor youth initiatives to their communities.			<p>Partial implementation.</p> <p>The scaling up of He Poutama Rangatahi has enabled more coverage in different areas, both regional and urban, throughout the country. Projects are local initiatives that are then funded by MSD which enables them to be tailored to communities (Work and Income, n.d.).</p>	Progressed from no evidence to partial implementation.
	103. Take an evidence-based approach, informed by the voices of young people and building on the strengths of young people, and provide a basis for their long-term engagement with the changing world of work.			<p>No evidence of implementation.</p> <p>WEAG (2019, p.132) described youth employment initiatives as “uncoordinated, scattered across many agencies and patchy throughout the country”, describing many instances of initiatives not achieving their desired results. It does not appear that this approach to youth employment initiatives has substantially changed beyond the patchwork that WEAG described.</p>	No change since November 2020.

	104. Provide assistance with a specific focus on the needs of rangatahi Māori, Pacific youth and young people with health conditions or disabilities, to provide more equitable outcomes and success for these groups of young people.			<p>Minimal evidence of implementation.</p> <p>Initiatives such as the reinstatement of the Training Incentive Allowance will benefit some rangatahi Māori, Pacific youth and young people with health conditions or disabilities, but are not specifically targeted to those groups per se (NZ Government, 2021d).</p> <p>The Māori Trades Training Fund, while not youth specific, will benefit some rangatahi Māori through community-led employment and training programmes that are by Māori for Māori (though despite \$50 million ring-fenced over two years from August 2020, as at May 2021, only \$3.26 million had been paid out, with \$11.4 million in funding approved; Johnsen, 2020).</p> <p>While initiatives such as Tupu Aotearoa, formerly Pacific Employment Support Service, are available to support Pacific youth with connecting to employment or study, this service is not youth-specific and existed at the time of WEAG’s assessment (Ministry for Pacific Peoples, n.d.).</p>	Progress from no evidence to minimal implementation.
CREATING A FAIRER DEAL FOR PEOPLE WITH HEALTH CONDITIONS OR DISABILITIES AND CARERS					
Improving income support for people in	105. For main benefits, consider increasing financial support for people affected by health conditions and disabilities not due to an	Key Recs 40 and 41; Ch 10	In a 27 September 2021 Cabinet paper, Appendix Three, the Government stated that “Funding for the disability sector was	No evidence of implementation.	No change since November 2020.

the welfare system with health conditions or disabilities and carers of people with health conditions or disabilities	accident to be equivalent to that provided by the accident compensation scheme. Treat people with similar levels of disability – whether caused by illness or injury – similarly. Link this support to relevant employment support where work is a possibility.		significantly increased in Budget 2020, specifically with the intent of improving access to services and alleviating financial pressure on them. Further work is required.”				
	106. Introduce time-limited individual entitlement for income and employment support for low-income families suffering from health shocks (see the eligibility section of the detailed income support recommendations, page 118).		The Cabinet paper appendix also pointed to the subsequent work capacity medical certificate change to be implemented in January 2022, and more general changes to improve income adequacy that will benefit people with health conditions and disabilities accessing support from the welfare system.			No evidence of implementation.	No change since November 2020.
	107. Consider transferring to New Zealand Superannuation people on Supported Living Payment who are so unwell or disabled that there is no foreseeable chance they will come off the benefit during their life.		The Cabinet paper appendix also stated that “MSD is reviewing financial support and eligibility settings for current benefit payments for disabled people, people with health conditions and their carers” (MSD, 2021d).			No evidence of implementation.	No change since November 2020.
	108. Align the abatement rate of non-blind disabled people receiving Supported Living Payment with that of the blind, to address the current inequity.					No evidence of implementation.	No change since November 2020.
	109. Redesign supplementary assistance for people with health conditions or disabilities, so it is easier to access and more accurately covers the costs of having the health condition or disability.					No evidence of implementation.	No change since November 2020.
	110. Increase the level of income support provided by Disability Allowance with three rates (low,					No evidence of implementation.	No change since

	medium and high) related to the degree of burden of disability or care needed.				November 2020.
	111. Increase the level of income support provided by Child Disability Allowance, and introduce three rates (low, medium and high) related to the degree of burden of disability or care needed.			No evidence of implementation.	No change since November 2020.
	112. Direct the Ministry of Social Development and Ministry of Health to clarify where responsibility for covering the cost to individuals of health conditions and disabilities should lie and make this transparent, known to the public, and accessible.			No evidence of implementation.	No change since November 2020.
	113. Include in the New Zealand Health and Disability System Review how cost and other barriers can be reduced so people on low incomes can access primary care, dental care, alcohol and other drug services, mental healthcare, secondary care, and vision and hearing services.			No evidence of implementation. Costs were discussed in the Review but no in-depth discussion of how these cost-related barriers can be reduced.	No change since November 2020.
	114. De-couple Supported Living Payment Carer from Supported Living Payment, and create a carers benefit that continues to be paid at the same rate as Supported Living Payment. This allows more flexibility in the provision of non-financial support.			No evidence of implementation.	No change since November 2020.

	115. Introduce an annual carers payment to help meet the additional costs associated with care.			No evidence of implementation.	No change since November 2020.
Implementing in the welfare system a comprehensive approach to support the suitable employment of people with health conditions and disabilities and carers of people with health conditions and disabilities	116. Support the suitable employment of people with health conditions and disabilities, and carers, through early intervention with the right level of support	Key Recs 40 and 41; Ch10	A 27 September 2021 Cabinet paper, Appendix Three, pointed to Budget 2019 funding to support disabled people and people with health conditions into employment through Oranga Mahi, disability Employment Services and Support Funds (MSD, 2021d). It also reiterated that clients with health conditions and disabilities will benefit from the generic funding provided to MSD employment supports and services.	No evidence of implementation.	No change since November 2020.
	117. Support the suitable employment of people with health conditions and disabilities, and carers, through support for part-time work			Minimal implementation. Increase in abatement thresholds of Supported Living Payment recipients will enable some people with health conditions and disabilities, and carers, to engage in more part-time work without their benefit abating (Work and Income, 2021). However, more active support is needed to enable carers and those with health conditions and disabilities to engage in the paid workforce when circumstances permit. The Oranga Mahi programme was introduced in 2016, and funding was ring-fenced in Budget 2019 for the extension of trials of the programme (NZ Government, 2019). However the programme does not appear to have yet progressed beyond the prototype stage (MSD, 2021j).	Progressed from no evidence to minimal implementation.
	118. Support the suitable employment of people with health conditions and disabilities, and carers, through evidence-based integrated employment and health supports and services			No evidence of implementation.	No change since November 2020.

	<p>119. Support the suitable employment of people with health conditions and disabilities, and carers, through improved access to health supports and services to support return to work, with particular support for people with mental health problems or chronic conditions</p>			<p>Partial implementation.</p> <p>Funding was increased for supporting employment for those with health conditions and disabilities in Budget 2019 through Oranga Mahi, disability Employment Services and Support Funds.</p>	<p>No change since November 2020.</p>
	<p>120. Support the suitable employment of people with health conditions and disabilities, and carers, through easy re-entry to a benefit if employment ends</p>			<p>No evidence of implementation.</p>	<p>No change since November 2020.</p>
	<p>121. Support the suitable employment of people with health conditions and disabilities, and carers, through support for employers to take on or retain people with health conditions and disabilities and carers (for example, wage subsidies and workplace accommodations).</p>			<p>No evidence of implementation.</p>	<p>No change since November 2020.</p>
	<p>122. Support the recommendations of the Government Inquiry into Mental Health and Addiction and the 2018 OECD report Mental Health and Work: New Zealand, because of the large proportion of people receiving health and disability benefits whose primary barrier to work is a mental health condition.</p>			<p>Full implementation.</p> <p>The Government has committed to transform the mental health system as recommended in He Ara Oranga – Report of the Government Inquiry into Mental Health and Addiction (Mental Health and Wellbeing Commission, 2020). It has also supported the need to improve outcomes for people with mental health and addiction needs according to the findings of the OECD’s Mental Health and Work report (MSD, 2019a).</p>	<p>No change since November 2020.</p>

<p>Meaningful community participation to promote wellbeing</p>	<p>123. Work with the Ministry of Health to ensure those who are unlikely to ever engage in paid work are supported to participate meaningfully in their communities.</p>	<p>Key Rec 42; Chapter 10</p>	<p>In a 27 September 2021 Cabinet paper, Appendix Three, the Government stated that “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.”</p> <p>The Cabinet paper appendix also stated that “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” (MSD, 2021d).</p>	<p>No evidence of implementation.</p> <p>In a 2019 report, accessed under OIA, officials advise against any formal linking of volunteering opportunities with benefit receipt, but suggest that there could be value in considering how Government can further support volunteering (MSD, 2020d).</p>	<p>No change since November 2020.</p>
<p>Prevention and harm reduction</p>	<p>124. Work to eliminate people’s negative experiences with MSD, which worsen mental distress, by changing the way MSD interacts with people in line with our proposed purpose, principles and values.</p>	<p>Chapter 10</p>		<p>No evidence of implementation.</p> <p>Reports from benefit recipients (Casey-Cox, 2021) and former case managers (Chrisholm, 2021) suggest that there is inconsistent treatment of beneficiaries at Work and Income, and a punitive approach to engaging with clients prevails. There is no evidence of a “complete shift” in culture</p>	<p>No change since November 2020.</p>

				as claimed by Minister Sepuloni (Chrisholm, 2021), and indeed, multiple frontline organisations unsuccessfully requested a social services select committee inquiry into Work and Income’s “demeaning and inhumane” practices in Sept 2021 (Save the Children, 2021).	
	125. Oversee and coordinate cross-government responses to improving social wellbeing, including tackling the social determinants of poor health and disability.			No evidence of implementation.	No change since November 2020.
	126. Enhance cross-government investment in prevention and resilience-building activities for young people and people in workplaces.			No evidence of implementation.	No change since November 2020.

Appendix C: Income support: supplementary tables and explanations

These tables support figures in *Section 3: Income Support - planned benefit increases necessary but not sufficient*.

Supplementary table 1: Weekly shortfall for benefit recipients without children, actual benefit rates vs WEAG recommended rates (wage-adjusted for 2022/23 year). These are supporting figures for graph in Figure 1.

	April 19/20 year				April 22/23 year (expected)			
	Actual	WEAG rates	Shortfall		Actual*	Wage-adjusted WEAG rates**	Shortfall	
			\$	% of actual			\$	% of actual
JSS	\$ 218.98	\$ 315	\$96.02	44%	\$315	\$344.84	\$29.84	9%
SLP	\$ 273.70	\$359	\$85.30	31%	\$359	\$393.01	\$34.01	9%
JSS couple, ea	\$ 182.47	\$268	\$85.53	47%	\$268	\$293.39	\$25.39	9%
SLP couple ea	\$ 228.07	\$305	\$76.93	34%	\$305	\$333.90	\$28.90	9%

* Source: *Work and Income (2021)*. These are the same as the nominal 2019 WEAG rates, and specifically include “estimated increases from the Annual General Adjustment scheduled for 1 April 2022”; ie, the policy change is aiming for nominal 2019 WEAG rates, not for nominal 2019 WEAG rates plus additional 2022 wage indexation.

** Wage adjustment percentages are the same as those used for the Annual General Adjustment in 2020 (3.09%) and 2021 (3.10%); and an extrapolation of that used by Government for its own April 2022 estimates (3%). Sources: NZ Government (2020; 2021n; 2021o)

Supplementary table 2: Weekly shortfall for benefit recipients with children (core benefit rates + Family Tax Credit), actual household entitlements vs WEAG recommended entitlements (wage-adjusted for 2022/23 year). These are supporting figures for graphs in Figure 3 and 4.

	April 2019/20 year				April 22/23 year (expected)			
	Actual	WEAG rates	Shortfall		Actual*	Wage-adjusted WEAG rates**	Shortfall	
			\$	% of actual			\$	% of actual
SPS, 1 ch	\$452.69	\$544	\$91.31	20%	\$562	\$595.54	\$33.81	6%
SPS, 3 ch	\$634.69	\$784	\$149.31	24%	\$770	\$858.28	\$88.39	11%
SLP SP, 1 ch	\$498.60	\$569	\$70.40	14%	\$613	\$622.91	\$10.18	2%
SLP SP, 3 ch	\$680.60	\$809	\$128.40	19%	\$821	\$885.65	\$64.76	8%
JSS couple, 1 ch	\$504.00	\$706	\$202	40%	\$694	\$772.89	\$79.16	11%
JSS couple, 3 ch	\$686.00	\$946	\$260	38%	\$902	\$1035.63	\$133.74	15%
SLP couple, 1 ch	\$595.20	\$780	\$184.8	31%	\$768	\$853.90	\$86.17	11%
SLP couple, 3 ch	777.2	\$1020	\$242.8	31%	\$976	\$1,116.64	\$140.75	14%

* Source: Work and Income (2021). These are the same as the nominal 2019 WEAG rates, and specifically include “estimated increases from the Annual General Adjustment scheduled for 1 April 2022”; ie, the policy change is aiming for nominal 2019 WEAG rates, not for nominal 2019 WEAG rates plus additional 2022 wage indexation.

** Wage adjustment percentages are the same as those used for the Annual General Adjustment in 2020 (3.09%) and 2021 (3.10%); and an extrapolation of that used by Government for its own April 2022 estimates (3%). Sources: NZ Government (2020; 2021n; 2021o)

Supplementary table 3: Cumulative loss of income for families receiving maximum benefit and FTC entitlements between April 2019 and March 2022, considering actual benefit + FTC rates versus wage-adjusted WEAG rates as recommended in 2019

Benefit type, # ch	Est annual loss April 2019/20 year*	Est annual loss April 2020/21 year*	Est annual loss year ended April 2021/22 year*^	Est cumulative loss, three years April 2019-March 2022*
SPS 1 child	\$4,760.90	\$3,787.45	\$3,306.44	\$11,854.80
SPS 3 child	\$7,785.02	\$7,198.22	\$7,117.14	\$22,100.38
SLP SP 1 child	\$3,670.66	\$2,663.42	\$2,147.45	\$8,481.52
SLP SP 3 child	\$6,694.78	\$6,074.21	\$5,958.14	\$18,727.13
JSS couple w/1ch, per household	\$10,532.28	\$9,737.43	\$8,398.59	\$28,668.30
JSS couple w/3ch, per household	\$13,556.40	\$13,148.22	\$12,209.29	\$38,913.91
SLP couple w/1ch, per household	\$9,635.47	\$8,812.81	\$7,445.03	\$25,893.31
SLP couple w/3ch, per household	\$12,659.59	\$12,223.60	\$11,255.73	\$36,138.91

*Rates are wage adjusted from April 2019 using the same percentages as those used for the Annual General Adjustment in 2020 (3.09%) and 2021 (3.10%); and an extrapolation of that used by Government for its own April 2022 estimates (3%). Sources: NZ Government (2020; 2021n; 2021o). Maximum FTC and benefit rates

^The first phase of Budget 2021 benefit increases came into effect in July 2021, so these increased rates are accounted for ¾ of the year ending March 2022.