



Memo

To: The Performance Committee

CC: Jo Cunningham, General Manager Strategy and Change, Service Delivery

From: 9(2)(a) Principal Analyst
9(2)(a), Principal Analyst

Date: 28 August 2019

Security level: IN CONFIDENCE

Driving Greater Uptake and Full and Correct Delivery of Assistance

Purpose

- 1 This memo provides the Performance Committee with an overview of the initiatives that are planned or have been implemented, which focus on driving greater uptake of assistance provided by the Ministry and delivering full and correct entitlement (FACE).

Recommendations

- 2 It is recommended that the Committee:
 - a. **note** that there are number of operational initiatives underway across the Ministry working to drive a greater take-up of assistance
 - b. **note** that work is also underway to improve the measurement of FACE and take-up, 9(2)(f)(iv) [REDACTED] which will include work from a FACE and take-up lens
 - c. **note** that FACE and take-up are themes that will be considered as part of cross-MSD work, including the Te Pae Tawhiti Case and the welfare overhaul purpose and principles work.
 - d. **note** that the next iteration of this report is due on 4 December 2019 and will include an analysis of where potential gaps are and a framework to support future prioritisation decisions.

Background

- 3 There has been greater attention placed on the Ministry's activities to improve take-up and the delivery of full and correct entitlement (FACE) of income support:
 - 3.1 FACE and take-up were discussed throughout Whakamana Tanagata, the report from the Welfare Expert Advisory Group, both in terms of measurement and as a key output/principle of the welfare system's income support function
 - 3.2 Questions about the Ministry's take-up and FACE metrics from the Minister for Social Development resulting in a report provided on 23 May 2019 to address her questions
 - 3.3 It has been identified as a key change in the Te Pae Tawhiti Case (which has been presented to the Leadership Team and is being further developed).

4 9(2)(g)(i)

9(2)(f)(iv)

5 9(2)(g)(i)

- 6 Insights MSD is leading work across MSD to develop the evidence base across FACE and take-up. Proposals will be taken to the Performance Committee once agreement has been reached on an approach, given the Committee's interest in these measures, and that additional resourcing is likely to be required.

Overview of initiatives underway or in development

Operational initiatives

- 7 Across the Ministry, there are several initiatives or programmes either underway, or in the planning phase that are working to drive a greater uptake of assistance or improve the delivery of FACE. More detail is provided in **Appendix A**.

- 8 Operational initiatives include:

- 8.1 The Online Eligibility Guide (Check what you might get)
- 8.2 Proactive Calls to Action (text messaging)
- 8.3 Proactive Client Entitlement (Analytics to the Frontline)
- 8.4 Enhancing Disability Allowance settings
- 8.5 A Temporary Additional Support campaign
- 8.6 A s192 FACE campaign

Measurement

- 9 In addition to these operational initiatives, work is underway to improve the evidence base to help monitor our overall progress and to support further prioritisation of efforts. This work involves:

- 9.1 **Designing a sampling approach to measure FACE** across our income support clients, extending the FACE review methodology currently being used as part of the s192 FACE campaign. This work aims to be able to monitor MSD's FACE outcomes over time, and provide breakdowns by benefit type (or non-benefit), region and ethnicity. It will also look to report on other demographics and reasons for deviations from FACE. Expert case management

capability will be required to undertake these reviews and consideration needs to be given to how this work will be resourced on an on-going basis. This will be considered as part of the Training and Quality role review.

9.2 Bringing together existing information about the take-up of specific payments, with a view to building the indicative evidence base about take-up in the coming months.

9.3 Building our data and modelling capacity and capability with the Treasury and Inland Revenue to produce more accurate take-up figures in the medium term.

10 Consultation is progressing across MSD on the development of options for the design and implementation of this measurement work.

11 Given the activity underway with the 's192 FACE campaign', the development of FACE measurement options will be informed by the learnings from that initiative.

Policy work

12 As mentioned above, the Minister has expressed interest in MSD reviewing Childcare Assistance and Disability Allowance as part of the welfare overhaul. This work will take account how the policy and legislation around these payments can be simplified to support easier access to, and delivery of, entitlements. This will complement existing efforts to streamline the delivery of these payments under the existing legislative framework.

Upcoming work

Input into cross-MSD work

13 Service Delivery, Policy, and Insights and Investment will continue to feed into cross-MSD work that has a FACE or take-up component. In particular:

13.1 The ongoing development of the Te Pae Tawhiti Case. While the Leadership Team broadly agreed with the set of shifts, further testing and review is required.

13.2 The review of the purpose and principles of the welfare system, as part of the welfare overhaul work. This includes the potential for inserting certain operational expectations on MSD, such as providing FACE.

Ongoing prioritisation

14 There will be a growing need to ensure that our efforts to improve FACE and take-up are well-prioritised, given the significant policy and operational change underway. Ideally, we would invest in improving our efforts across the board but this is not realistic given the demands for resource to drive other outcomes.

15 While it will be important to ensure that we are investing enough to improve FACE and take-up, we also want to be investing in the right FACE and take-up initiatives. As new initiatives are identified a prioritisation exercise should be undertaken to consider the potential outcomes and impact of implementation.

16 We will provide advice about a potential prioritisation framework the next iteration of this report to you, due in December.

Appendix A: Updates on operational initiatives underway or in development

Online Eligibility Guide (Check what you might get)

Service Delivery

Strategy and Change

In Progress

1. As at 18 August 2019:
 - over 502,000 (compared to 384,000 as at 21 May 2019) people have visited the guide and spend an average of 4m:54s using it – this equates to 48,643 visitors on average, each month in the last quarter
 - more than 75% of people complete all questions and are provided with information about the assistance that may be available to them.
2. **Appendix B** provides more detail about usage of the guide.
3. The following activities are planned to promote use of the Guide:
 - flyers for use in partner and non-government organisations will be distributed in September
 - a direct email campaign for clients who have recently exited benefit, encouraging use of the guide to make sure they're getting all the help they can to stay in their new job, is likely to be in place by October.

Proactive Calls to Action

Service Delivery

Strategy and Change

In Progress

4. Through Proactive Calls to Action, proactive text messages to clients are being sent to clients.

Medical certificate reminders

5. As at 30 June 2019, 30,408 text reminders had been sent to clients who had a medical certificate due to expire. Before medical certificate text reminders were introduced, the proportion of clients who renewed their medical certificate on time was 50.63%, this has increased to 59.4%.

Upcoming appointment reminders

6. Appointment text reminders were tested in four service centres from 13 May 2019 to 30 June 2019 to remind clients of their upcoming appointments. During the pilot an increase (from 55% to 68%) in clients attending their booked appointment was observed.
7. Feedback from clients who received the text message was overwhelmingly positive with 96% of survey respondents saying the reminder was useful:

- "Please don't stop the text reminder service - it's fantastic. Much easier for someone with mental health illness to receive and use. Thank you."
 - "The txt reminder is a very good addition to your service, as well as reminding forgetful people such as myself missing appointments."
 - "I find the txt system very helpful, a great addition to the support I receive."
8. The nationwide implementation approach is currently being finalised and is intended to commence from 30 September 2019.

Employment service reminders

9. In-Work Support offers individual support and payments to help clients overcome barriers to remaining in employment. Outbound calling is currently used to contact clients to let them know about this opportunity.
10. On 19 August 2019 a pilot commenced, to test proactive text messages advising clients of the In-Work Support service and inviting them to make contact. The pilot intends to demonstrate an increased uptake of the In-Work Support service. Findings and outcomes from the pilot will be available from October and will be used to inform next steps.

Next steps

11. We're currently investigating a range of area to proactive contact clients via text about, examples include:
- notification when a client does not meet their work obligations
 - promoting opportunities such as Mana in Mahi
 - promoting supplementary assistance to those with potential entitlement.

Proactive Client Entitlement Initiative

Insights

■ In Progress

12. The Proactive Client Entitlement initiative is the second Analytics to the Frontline use case.
13. Through this initiative, a Queue Manager prompt and a simple user interface in CMS is being developed to enable case managers to identify clients during appointments who are likely entitled to Temporary Additional Support (TAS), but not receiving it.
14. A proof of concept was conducted from 29 April 2019 to 13 May 2019 in the Nelson and Northland regions. Service Delivery and Insights are now working together to pilot the interface in more regions. In this approach, active reporting will be applied so the change can be more effectively managed, and we are able to better understand what works well and where further work is required.

Enhancing Disability Allowance operational settings

Service Delivery

■ Design

Client Experience and Service Design

15. A programme for delivering options to enhance settings for Disability Allowance is underway. Originally this included both reducing verification and increasing awareness, understanding and uptake through strengthened communications.
16. In the meantime, work has focused on the development of strengthened communications to help increase the awareness and understanding of Disability Allowance and support an increased take up, better client experience and reduction in rework for clients and staff.
17. The development of communications material is informed by initial co-design with clients and staff in three regions, survey and interview responses from GPs attending recent medical conferences and engagement with the National Beneficiary Advocates Consultative Group (NBACG).
18. Two versions of a revised stand-alone application form and a redesigned brochure on Disability Allowance have been developed. These are being tested with key stakeholders including clients, staff, GPs and NABCG to get feedback on further improvements and help identify any system, cost, usability or processing impacts.
19. It is important to note that the stand-alone form is used by people who are already on a main benefit, NZ Super or non-beneficiaries, and accounts for around 57% of all Disability Allowance applications.
20. Implementation of a range of strengthened Disability Allowance-related communications is planned to be completed by the end of this year. This includes updating brochures and website information, which will likely occur by the end of October. In addition, it is intended that the enhanced application form should be in place by the end of this year.

21. 9(2)(f)(iv)

Temporary Additional Support campaign

Service Delivery

■ In Progress

Strategy and Change

22. Proactive contact for clients who are likely eligible for TAS was implemented on 18 June 2019.

23. Key components of the approach include:

- 3,000 clients will be contacted each month and these contacts will be staggered over the course of each month
- clients will be contacted by email or letter, and in some instances both email and letter
- clients are encouraged to make contact with the contact centre to complete an initial screening in relation to their potential entitlement
- an appointment will be made for the client to complete their application for TAS at their local service centre, where required.

24. Provisional reporting shows that between 30 June 2019 and 16 August 2019:

- 4,650 clients were contacted
- 315 clients subsequently made an application for TAS (representing an application rate of approximately 7%)
- Of those granted, the average weekly rate of TAS was \$42.77.

25. A/B testing was completed between 18 and 25 June 2019 to test two variations to the letter and email text, based on client testing completed earlier this year. Findings from this testing is expected to be available shortly, which will be used to make changes to the current letter content to encourage more clients to make contact.

26. Additionally, work is under way to scope a potential increase in the volume of letters and emails sent on a weekly basis, with a view to understanding potential resourcing impacts.

s192 FACE Campaign

Service Delivery

In Progress

Business Process Management

27. On 1 April 2019, a proactive campaign commenced with a group of sole parent clients who have a section 192 reduction applied. The objective of the campaign is to attempt to contact around 12,000 clients to complete a full review of their entitlement.

28. Engagement is continuing with client groups in a phased approach, which started with Youth Parent Payment clients and those with a reduction in place for less than 400 days (around 3,080 clients).

29. The next group are those who have had a reduction for a longer period and may have complex cases (around 9,000 clients). Reviews of these cases may result in substantial lumpsum payments. Work is underway to introduce an exemption for any lumpsum payments by 20 September 2019, ensuring they do not impact on a client's eligibility for other assistance.

30. As at 16 August 2019, reviews have been completed for 1,906 clients. Of these:

- 1,267 (66%) clients had no change to their ongoing assistance
- 639 (34%) clients have a change to their ongoing assistance

31. Of the 639 clients:

- 582 clients are now on average now \$35 better off, and
- 500 clients have had their s192 reductions removed with an average of \$1,248 of arrears paid.

32. Of the 582 clients:

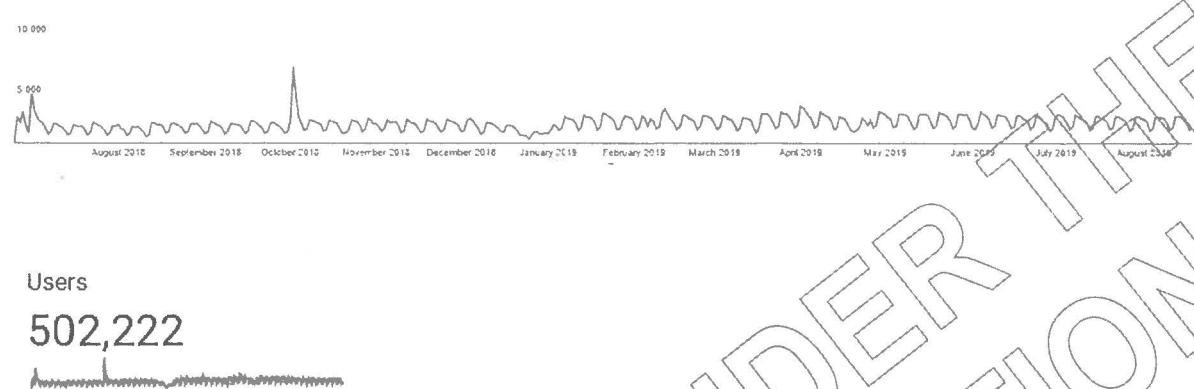
- 527 had an increase in their benefit rate (\$31 on average)
- 51 clients had an increase their Accommodation Supplement rate (\$41 on average)
- 28 clients had an increase in their Temporary Additional Support rate (\$34 on average).

33. It was identified that our operational policy relating to Child Support was not clear and needed to be revisited. These guidelines were updated on 8 July and work is ongoing to make sure that staff have the resources, tools and knowledge they need to make appropriate decisions relating to reductions.

Appendix A Online Eligibility Guide

26 June 2018 – 18 August 2019

Visitor Numbers and Trends

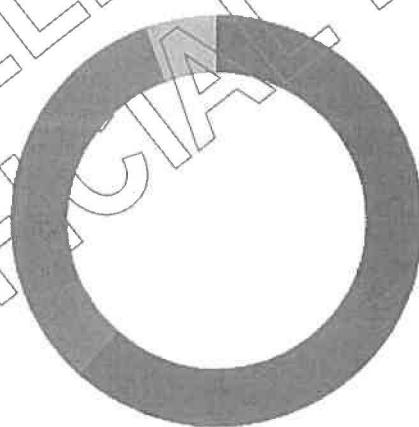


Avg. Session Duration
00:04:54

Sessions by Device Type

New Zealand Visitors – By location

Sessions by device



Mobile

61.7%



Desktop

32.7%



Tablet

5.6%

2

202,090

Visitors by Time of Day

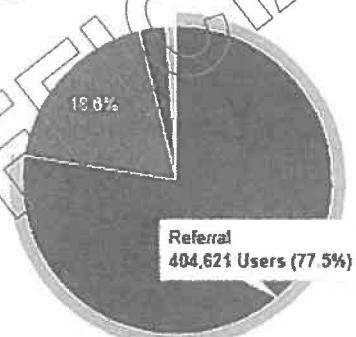
Users by time of day



Jun 25, 2018 - Aug 18, 2019 ▾

How do our visitors find the Guide?

Top Channels



What sites refer or link visitors to the Guide?

	Users	New Users
1. workandincome.govt.nz	404,621 (98.60%)	389,075 (98.71%)
2. nzherald.co.nz	1,397 (0.34%)	1,361 (0.35%)
3. services.workandincome.govt.nz	968 (0.24%)	826 (0.21%)
4. youthservice.govt.nz	660 (0.16%)	537 (0.14%)
5. labour.org.nz	389 (0.10%)	377 (0.10%)
6. outlook.live.com	255 (0.06%)	229 (0.06%)
7. d.skykiwi.com	230 (0.06%)	183 (0.05%)
8. msdsupport.custhelp.com	223 (0.05%)	216 (0.06%)
9. bbs.skykiwi.com	152 (0.04%)	122 (0.03%)
10. thespinoff.co.nz	139 (0.03%)	137 (0.04%)



Memo

To: 9(2)(a) [REDACTED], Private Secretary

From: Nic Blakeley, Deputy Chief Executive Insights and Investment

Cc: Viv Rickard, Deputy Chief Executive Service Delivery

Date: 17 May 2019

Security level: IN CONFIDENCE

Outline of information on take-up and Accommodation Supplement and Temporary Additional Support

Action: For Information

Purpose

This memo attaches two pieces of information that you commissioned earlier this week. I will speak to both these pieces of information on Monday, 20 May 2019.

- An outline of a briefing on take-up (Appendix A). As discussed, we will provide the briefing to the Minister on 23 May 2019. We will then discuss the briefing at the meeting scheduled with the Minister on 27 May 2019.
- Information on Accommodation Supplement and Temporary Additional Support (Appendix B).

Appendix A – Outline of a briefing on take-up

The purpose of this outline is to seek any feedback on whether the resulting paper will cover the information and advice being sought regarding take-up and full and correct entitlement (FACE). It outlines the information that we will incorporate into the briefing for next week as well as the gaps that would require further work to address. Our briefing will primarily draw on:

- 1 The background paper published alongside the WEAG report: "The take-up of income support – analysis and options"
- 2 A stocktake of initiatives underway to improve take-up and FACE
- 3 Work underway to improve the measurement of take-up and FACE.

Area of interest	Information available	Gaps and further work	Comment
<i>What we currently know about uptake and FACE, including any trends we are seeing in people not receiving FACE (eg benefit type, age, ethnicity, singles/couples, etc)</i>	<p>There is some indicative analysis about the potential take-up gap for some supplementary payments (Working for Families Tax Credits, Accommodation Supplement [AS], Temporary Additional Support [TAS], Disability Allowance, and Childcare Assistance [CCA]). Significant work is required to more accurately quantify take-up of these payments.</p>	<p>We are not in a position to say how these rough take-up estimates might be distributed across categories such as benefit type, age, etc. Nor do we have evidence to say anything about the take-up of main benefits and other payments.</p>	<p>Measuring take-up and FACE is challenging because agencies do not always hold information about whether a person is entitled to a payment. These challenges are common to all welfare systems around the world.</p>
<i>Work we have underway to understand and measure take-up and FACE</i>	<p>We are aware of the challenges of accurately measuring take-up and FACE and some potential approaches for tackling this. This includes data constraints and limits to the methods we can use to estimate take-up and FACE, including cost.</p>	<p>We are in the process of scoping up projects to develop this body of evidence so we have a robust and ongoing set of data to support further initiatives and to monitor the performance of the Ministry in this space.</p> <p>We will be learning from projects underway to address TAS take-up and FACE for people receiving a \$192 deduction.</p>	<p>This work was recommended by the WEAG in their final report [recommendation 5].</p>
<i>What we are doing to address take-up and FACE</i>	<p>We will provide you with an overview of the initiatives and programmes either underway or in the planning phase to address take-up and FACE. This includes the TAS trial and \$192 FACE work that we have previously briefed the Minister on.</p>		
<i>Further work on improving take-up and FACE, including how we might prioritise this work.</i>	<p>There is body of evidence from around the world indicating why we do not see full take-up of payments. From this, we can think about how existing initiatives will address those reasons for low take-up and what more we could do.</p>	<p>Having recently initiated some key trials and initiatives, we are in the early stages of thinking about next steps to improve take-up and FACE.</p> <p>This work will need to factor in the practicalities of this work (resourcing, phasing and impacts on the frontline), potential fiscal implications, and linkages to other policy and operational work underway.</p> <p>This work will be considered as part of the welfare overhaul project alongside work to respond to the other recommendations made by the WEAG.</p>	<p>The WEAG recommended that the following be included in the principles used when redesigning the income support system:</p> <p>"The income support system proactively supports people to access their full and correct entitlements and promotes these entitlements to the broader population."</p> <p>The WEAG also made detailed recommendations about improving the take-up and accessibility of specific payments such as CCA and AS.</p>

Temporary Additional Support numbers

Table 3: The proportion of benefit recipients who also receive Temporary Additional Support or Special Benefit

Quarter	Jobseeker Support	Sole Parent Support	Supported Living Payment	Other main benefits	NZ Superannuation and Veterans Pension
Mar-18	22%	22%	16%	11%	1%
Jun-18	21%	19%	15%	10%	1%
Sep-18	21%	18%	15%	10%	1%
Dec-18	22%	19%	15%	7%	1%
Mar-19	22%	18%	16%	10%	1%

- 6 Jobseeker Support recipients are the most likely to receive TAS and Special Benefit. Twenty-two percent of Jobseeker Support recipients received TAS and Special Benefit as at December 2018. There has been no significant change to these proportions since early 2018.

Table 4: The number of Temporary Additional Support or Special Benefit recipients by benefit type

Quarter	Non-beneficiaries	Main benefit	NZ Superannuation and Veterans Pension
Mar-18	2,606	54,628	5,833
Jun-18	2,208	52,508	6,229
Sep-18	2,132	52,818	5,866
Dec-18	1,862	56,297	6,629
Mar-19	2,199	55,609	6,583

- 7 86 percent of TAS recipients received a main benefit in the March 2019 quarter, while 3 percent are non-beneficiaries and a further 10 percent are superannuitants¹. The number of TAS recipients has increased since early March 2018 for main beneficiaries and NZ Superannuation/Veteran Pension recipients.

Average rates of Accommodation Supplement and Temporary Additional Support

Table 5: Average rate of Accommodation Supplement and proportion at maxima (Dec-17 has been included to show the full impact of the Families Package)

Quarter	Average rate	Proportion at maxima
Dec-17	\$68	47%
Mar-18	\$87	39%
Jun-18	\$89	23%
Sep-18	\$89	24%
Dec-18	\$90	25%
Mar-19	\$90	26%

¹ These do not add to 100% due to rounding.

Table 6: Average rate of Temporary Additional Support and proportion at upper limit (Dec-17 has been included to show the full impact of the Families Package)

Quarter	Average rate	Proportion at maxima
Dec-17	\$79	47%
Mar-18	\$66	28%
Jun-18	\$69	31%
Sep-18	\$67	32%
Dec-18	\$73	34%
Mar-19	\$67	35%

- 8 The increase to the maximum AS payments (as part of the Families Package in April 2018) reduced the proportion of clients at the maximum AS payment from around 47 percent in the December 2017 quarter to 23 percent in the June 2018 quarter. Since then, we have seen an acceleration of the accommodation cost growth claimed by our clients (and therefore the average rate of AS payment). The main drivers are likely to be:
- 8.1 the increase to the maximum AS payments because the constraint people were previously at has been relaxed. Lifting the maximum payment has allowed more AS recipients to increase their AS payment over time. The proportion of people at the maximum AS payment has been increasing at a faster rate over the last 12 months, compared to the 12 months before the Families Package was implemented.
 - 8.2 the significant growth in the number of people on AS, particularly people on Jobseeker Support and people not on a main benefit. Many of these new AS clients have come from Auckland and have higher accommodation costs than the existing people on AS. Growth in AS recipients closely follows the growth in the number of people receiving main benefits. This is mainly due to people being assessed for AS when they are also assessed for their benefit.
 - 8.3 underlying rental growth pressures from the tight rental supply.

Income Related Rent Subsidy

- 9 Income Related Rent Subsidy (IRRS) is an income- and asset-tested subsidy available to people in public housing. IRRS is an important part of the picture when looking at housing subsidies.
- 10 The subsidy means that these tenants pay an Income-Related Rent, which limits the amount of rent they pay to generally no more than 25 percent of their after-tax income. This means that families in public housing receive a significantly higher level of support for their housing costs (through IRRS) than those in the private market (through AS).
- 11 Providing the latest information on the different levels of generosity between IRRS and AS is more difficult to produce so was not available in the timeframes. However using data from earlier in 2018, a Jobseeker Support Couple with two children living in South Auckland, paying \$470 rent, results in the same family receiving between \$60 and \$100 more a week in support if they are receiving IRRS compared to AS (working up to 40 hours a week on the minimum wage).
- 12 There were 65,225 IRRS places as at 31 December 2018.



Report

Date: 23 May 2019

Security Level: IN CONFIDENCE

To: Hon Carmel Sepuloni, Minister for Social Development

Addressing and measuring take-up and the delivery of full and correct entitlements

Purpose of the report

- 1 To provide you with an update on the Ministry's work to address and measure take-up and the delivery of full and correct entitlement (FACE), as we discussed on 20 May 2019.

Executive summary

- 2 Take-up and FACE has been an ongoing challenge within the income support system. In recent years we have increased our focus on improving take-up and FACE, reflecting the emphasis the Government has placed on it. The importance of take-up and FACE was supported by the Welfare Expert Advisory Group (WEAG), who made a number of recommendations to address these issues and build our evidence base.
- 3 The Ministry has undertaken and continues to progress a number of initiatives to improve take-up and FACE. This work spans initiatives around: publicity and communication, making engagement with MSD easier, improving our systems that support the frontline, and identifying and addressing issues for specific payments and processes.
- 4 This includes our work to review the entitlements of clients with a section 192 deduction (an update of this initiative is provided in the Appendix), and our recent pilot to proactively contact clients who are likely to be eligible for Temporary Additional Support (TAS). Work is underway for proactive contact of clients who may be eligible for TAS to happen on an ongoing basis. More detail on these initiatives is provided in [Table 1](#) of this report.
- 5 This focus on take-up and FACE is part of our strengthening service culture and our programme of operational improvements, and will be reflected in our advice on overhauling the welfare system.
- 6 Given the complexity of the benefit system and the changing nature of people's circumstances, there are likely to be take-up and FACE challenges across all supplementary payments and main benefits. However precise quantification is difficult. We can make broad estimates of people who may be eligible but are not receiving Accommodation Supplement (AS) and TAS but any estimates need to be heavily caveated. Qualitative analysis of take-up of other payments suggests that they can be improved but this has not yet been quantified. We do not have information about any trends we are seeing about take-up or in people not receiving FACE for specific groups of people by age, ethnicity, the main benefits they are receiving, etc.

- 7 The Ministry is developing a programme of work to improve the measurement of take-up and FACE. This includes scoping up further modelling work to improve these estimates of AS and TAS take-up, to commence modelling of take-up for other payments, and developing measures of FACE as we learn from our work reviewing clients who have a section 192 deduction.

Recommended actions

It is recommended that you:

- 1 **Note** that we are scheduled to discuss this report at our meeting on 27 May 2019,
- 2 **Note** that we will update you on the work we have underway to address and measure take-up and full and correct entitlement, alongside related advice on overhauling the welfare system.



Fiona Carter-Giddings
General Manager
Policy Group

23/5/2019

Date



Hon Carmel Sepuloni
Minister for Social Development

29/5/2019

Date

Background

- 8 This report responds to a request for information about what the Ministry is doing to improve take-up and full and correct entitlement (FACE) of income support payments. We discussed this topic with you at our meeting on 20 May 2019.
- 9 Take-up and FACE is an ongoing challenge for income support systems around the world. In recent years the Ministry has increased our focus on improving take-up and FACE, reflecting the emphasis the Government has placed on it. The importance of take-up and FACE were supported by the Welfare Expert Advisory Group (WEAG).

The Government's focus on take-up

- 10 The 2017 New Zealand Labour Party manifesto committed to:
Ensure all New Zealanders have the support they need to live with dignity.
- 11 This sentiment is reflected in the 2017 Confidence and Supply Agreement between the New Zealand Labour Party & Green Party of Aotearoa New Zealand, with particular mention to:
Overhaul the welfare system, ensure access to entitlements, remove excessive sanctions and review Working For Families so that everyone has a standard of living and income that enables them to live in dignity and participate in their communities, and lifts children and their families out of poverty.

The WEAG emphasised take-up and FACE as important focus areas

- 12 The Welfare Expert Advisory Group (WEAG) considered take-up and FACE within the eligible population as core outcomes of the income support system.
- 13 The WEAG recommended that the provision of FACE should be a principle to guide the design and operation of the welfare system (recommendation 2), and more specifically recommend that the following be included in the principles used when redesigning the income support system (recommendation 19):
The income support system proactively supports people to access their full and correct entitlements and promotes these entitlements to the broader population.
- 14 The WEAG made detailed recommendations about improving the take-up and accessibility of specific payments such as Childcare Assistance and Accommodation Supplement (AS).
- 15 The Group also recommended that (recommendation 5):
the Ministry and Inland Revenue publish information yearly, whether as part of their Annual Reports or Statements of Intent, or as a standalone report, information on key outcomes for those interacting with the welfare system, including information about full and correct entitlements, take-up rates of payments, employment outcomes, the impact of employment supports and services, and after-tax and abatement earnings.
- 16 See paragraphs 29 to 36 below for what we know about take-up and FACE and work underway to build our knowledge in this area.

What do we mean by take-up and FACE?

- 17 Take-up and FACE are important because if people are not receiving the financial assistance that they are entitled to, their incomes will be lower than they otherwise would be, meaning they may be in unnecessary income poverty or hardship. Improving take-up and FACE improves the adequacy of some peoples' incomes without increasing the legislated rates of entitlements.
- 18 Take-up refers to the proportion of an eligible population that accesses and receives the financial assistance they are eligible for.
- 19 FACE is a subset of take-up. While take-up looks at whether all eligible people across the New Zealand population are receiving a particular payment, FACE considers this

from a client perspective: of the clients we serve, are they receiving the full set of payments that they are entitled to, at the correct rate?

Barriers to take-up and reasons for low take-up and FACE

- 20 International research shows that take-up rates of income support are often significantly less than 100 percent. While it can be challenging to accurately measure take-up and FACE, we suspect that there are on-going issues with take-up (particularly for people who are not receiving a benefit) and ensuring that people receive their FACE. There are likely issues across all supplementary payments and main benefits.
- 21 The WEAG background paper outlines a number of potential barriers to take-up in New Zealand, drawing on domestic and international experience. These include low awareness among potential recipients, time-consuming administrative processes, stigma and lack of trust in government agencies, and complex policy and legislative settings.
- 22 The background paper also notes that people may wish not to take up entitlements for other reasons. These include:
 - 22.1 Whether people consider the size and duration of the payments are worth bothering with – this is particularly relevant for people considering payments that are nearly fully abated away or one-off payments
 - 22.2 People making deliberate decisions not to access support based on their personal or cultural attitudes towards accepting government assistance.
- 23 Non-take-up is likely to be most concerning if people (particularly those on low incomes) are missing out on substantial payments because of a lack of awareness or because of overly costly or stigmatising administrative processes.
- 24 The full and correct delivery of entitlements to clients is largely driven by the systems supporting frontline staff, clients' awareness of what they might be entitled to, and clients providing timely information to the Ministry that might impact on their entitlements. System complexity, at the legislative, policy and operational levels, can contribute to clients not receiving their full and correct entitlement.

The Ministry's work to improve take-up and FACE

- 25 The Ministry has undertaken and continues to progress a number of initiatives to improve take-up and FACE through:
 - 25.1 Publicity and communication to potential recipients about entitlements
 - 25.2 Making it easier for people to engage with MSD
 - 25.3 Improving the systems that support the frontline to deliver full and correct entitlement
 - 25.4 Identifying and addressing take-up and FACE for specific payments and processes
 - 25.5 Monitoring and measurement of take-up and FACE
 - 25.6 Simplification of payment rules to support easier access to, and delivery of, entitlements.
- 26 This work is outlined in Table 1.
- 27 There will be a continued focus on take-up and FACE as we work on strengthening service culture and our programme of operational improvements, and develop our advice on overhauling the welfare system.

Table 1: Outline of initiatives to improve take-up and FACE

Type of initiative	Completed initiatives	Underway (being implemented or being scoped)
Publicity and communication to potential recipients about entitlements	<ul style="list-style-type: none"> Leveraging off existing provider and stakeholder relationships to increase information about supplementary assistance Roll-out of the online eligibility guide, providing comprehensive and easy to understand information about entitlement 	<ul style="list-style-type: none"> Continued promotion of the online eligibility guide Planning is underway to contact clients who have recently left the benefit system, encouraging use of the guide so they are aware of what on-going assistance they may be eligible for Flyers and promotional material are being developed for use in partner and non-government organisations
Making it easier for people to engage with MSD	<ul style="list-style-type: none"> Roll-out of improvements to online application forms – including pre-population of some information Increased the types of assistance that can be delivered over the phone. 	<ul style="list-style-type: none"> Continued improvement of the online application experience, ensuring that it is easier to understand, and that people are aware of what is required and what their next steps are.
Improving the systems that support the frontline to deliver full and correct entitlement	<ul style="list-style-type: none"> In-work support trial, providing people who exit the benefit system with information, advice on entitlements and referrals Delivery of training to staff in empathy, unconscious bias and understanding mental health 	<ul style="list-style-type: none"> Providing information about existing clients who might be eligible for additional payments using system prompts and a simple case manager interface An operational excellence initiative, focused on effective case management practice and ensuring that clients are offered all assistance Improving business processes to simplify access to assistance i.e. Transition to Work Grant and hardship assistance
Identifying and addressing take-up and FACE for specific payments and processes	<ul style="list-style-type: none"> Text messaging to remind clients that their medical certificate is due for renewal was implemented in May 2019 Piloted proactive contact of clients who are likely to be eligible for TAS (a pilot of 2,915 people) work is now underway for this to happen on an ongoing basis A service approach for former clients who owe money to the Ministry that focuses on ensuring that this group of clients are aware of and have the ability to access extra help 	<ul style="list-style-type: none"> A pilot to test text messaging for clients who have exited the benefit system to employment, offering them in-work support, is planned to start in July Ongoing proactive contact of clients who are likely to be eligible for TAS Proactive FACE reviews of clients with a section 192 deduction – an update of this initiative is provided in the Appendix Focus on raising awareness and understanding of Disability Allowance (DA), and identifying opportunities to proactively contact clients with possible entitlement to DA
Monitoring and measurement of take-up and FACE	<p>See paragraphs 29 to 36 below about what we know about levels of take-up and FACE and further work to build this knowledge base</p>	
Simplification of payment rules to support easier access to, and delivery of, entitlements	<ul style="list-style-type: none"> Take-up and FACE will be considered as we develop policy advice and operational work on overhauling the welfare system 	

What we know about the levels of take-up and FACE

What we know about take-up

- 29 Recent work on measuring take-up has focused on AS and TAS. It is possible to estimate take-up (with the caveats around accuracy) for AS and TAS but it is only possible to make broad qualitative assessments for Childcare Assistance, Disability Allowance and main benefits. Previous work has also estimated take-up for Working for Families tax credits.
- 30 2017 modelling work suggested that at most 100,000 people who may be eligible for **Accommodation Supplement** (AS) but not receiving it. Most of these people would not be receiving any other form of income support from MSD. This is likely to be a significant over-estimate as it does not account for all eligibility requirements, particularly the cash asset test. A much smaller group of people receiving main benefits do not receive AS, and there are a variety of reasons why some beneficiaries are not eligible, such as if they have low or no housing costs or if they receive other support such as an Income Related Rent Subsidy.
- 31 Recent analysis of **Temporary Additional Support** (TAS) take-up suggests that around 30,000 people may be eligible but not receiving TAS, based on information known about recipients of other support from MSD. As with estimates of AS take-up significant further work is required to produce more robust measures of TAS take-up.
- 32 We know less about take-up of Childcare Assistance, Disability Allowance and main benefits. While we cannot quantify take-up gaps for these other payments, we can make the following observations:
- 32.1 **Childcare Assistance** take-up is likely to be low because recipient numbers have fallen significantly in recent years, despite increasing costs of childcare for low income families. There is also some evidence of low awareness of the payments.
 - 32.2 **Disability Allowance** (DA) take-up may be low given the number of beneficiaries with ongoing health conditions or disability who are not receiving DA payments. Anecdotal evidence from recent co-design work with clients suggests they do not understand who can get DA. Others choose not to apply for a range of reasons, including the administrative burden due to legislative settings, and the payment rates and mechanisms.
 - 32.3 There is anecdotal evidence that the perception of a punitive culture and stigmatising administrative processes of MSD may have led some people to disengage from the welfare system. However, current data does not allow for any estimates of take up of **main benefits**.

Challenges to measuring take-up and FACE

- 33 It is widely acknowledged that the measurement of take-up and FACE are inherently challenging. Challenges to measuring take-up are well-articulated in the WEAG background paper:
- Delivery agencies, such as MSD, are not able to "see" people who do not apply for payments as they may not hold information on them or be able to access information on them. Even for people receiving some payments from delivery agencies, there may not be sufficient information to determine their eligibility for other payments with different eligibility requirements.*
- Modelling using survey data and matched administrative data from across agencies, such as in the Integrated Data Infrastructure (IDI), can provide some estimates of people who may be eligible but have not applied, but these are subject to three important caveats:*

- Surveys and other agencies' administrative data may not collect all the information needed to assess an individual's (or family's) entitlement to a particular payment.
 - Survey responses may not be sufficiently accurate to assess eligibility.
 - The sample size of surveys often limits their ability to assess take-up for payments with relatively small eligible populations.
- 34 There is a different set of challenges around measuring FACE. While we are able to use administrative data we collect from clients to help guide us to groups of clients who may be eligible for further entitlements, administrative data only provides limited help to identify the overall accuracy of the delivery of entitlements to them. This is because entitlement is complex and dependent on a large number of details that may or may not have been provided to the Ministry.
- 35 We do not have information about any trends we are seeing about take-up or in people not receiving FACE for specific groups of people by age, ethnicity, the main benefits they are receiving, etc.

Further work on measuring take-up and FACE

- 36 The Ministry is developing a programme of work to build our understanding of take-up and FACE. This includes scoping up further modelling work to improve these estimates of AS and TAS take-up, to commence modelling of take-up for other payments, and developing measures of FACE as we learn from our work reviewing clients who have a section 192 deduction. This work will address the measures recommended by the WEAG (recommendation 5) and provide a baseline for the Ministry to monitor its work on improving take-up and FACE.

Next steps

- 37 We are scheduled to discuss this work at our meeting on 27 May 2019.
- 38 We will then update you on our work to address and measure take-up and FACE alongside related advice on overhauling the welfare system. This work will consider how proposals in response to the WEAG's recommendations will improve take-up and FACE, and how this work will be resourced, prioritised and phased. This includes fiscal implications and the impact on frontline staff.

Appendix

Update on reviews of sole parent clients with a section 192 deduction

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Appendix - Update on reviews of sole parent clients with a section 192 deduction

Section 192- Proactive FACE Review Campaign

On 1 April 2019, MSD commenced proactive engagement with a group of sole parent clients who have a section 192 (s192) deduction applied to complete a full review of their entitlement.

The objective of the proactive campaign is to attempt to contact around 12,000 clients to complete a full review of their entitlement. We have started to engage groups of clients in a phased approach, starting with Younger Parents (around 1,300 clients). The phased approach allows us to build our understanding of people's circumstances and issues related to FACE, before working with people with more complex needs.

The next group of 1,800 clients we will work with have less than 400 days with a s192 reduction in place. The remaining clients will have more complex circumstances (such as high hardship count) and in many cases, will require significant historical reviews because of the date that a s192 reduction was imposed.

Overall we have completed a FACE review for 252 clients:

- 41 people (16%) had a net increase (including AS, DA, TAS, s192 reductions removed, debt offset changed). The average increase was \$33.74 per week.
- 2 people (1%) resulted in a net reduction and their entitlement is now correct (TAS and Income reviewed)
- 209 people (83%) had no change
- There have been 31 s192 reductions lifted:
 - 9 because of a process error (ie delay in processing or no follow-up action taken)
 - 4 clients are now meeting the obligation
 - 18 clients provided new information.

As we learn more during this campaign, we'll improve our business process and business practice so that we are better placed to complete the more complex review cases. A complex case is where there is insufficient information to explain or support the original decision to impose a s192 reduction. This could be due to the action pre-dating SWIFT, or SWIFT system changes, or where a paper file that was recalled (Iron Mountain) has been destroyed. The project team is currently designing a framework for managing complex cases efficiently.

Section 192- Improving current business as usual practice

There are some inconsistencies in the way that s192 is administered and there are areas of practice that can be improved until it is repealed on 1 April 2020. Work is now underway to:

- Improve the information internally and externally (MAP guidelines, Doogle, Work and Income and MSD websites)
- Communicate the changes to frontline staff
- Introduce on-going monitoring for process assurance (and to ensure corrective actions are taken).