

Hon Louise Upston

Minister for the Community and Voluntary Sector
Minister for Social Development and Employment
Minister for Child Poverty Reduction



Debbie Power
Chief Executive
Ministry of Social Development
16 February 2024

Dear Debbie,

I am writing to you to outline the Government's expectations of the welfare system with regard to the strong view this Government holds that people who can work should, and that the settings of the wider welfare system support that.

In the lead up to the 2023 election, we have made our view clear that compliance with obligations play an important role in shaping the incentives for jobseekers, and a consequence of not fully applying the existing sanctions regime is that remaining on benefit has become the rational choice for too many people. I have also reiterated this view in discussions with you and your Officials.

Leaving these work-ready people, and especially young people, out of work and drifting aimlessly is not what the Government or your staff want to see.

We share higher aspirations for them being able to lead a happier and productive life in employment and being able to benefit from the wider health and wellbeing benefits employment bring to them and their families.

Our priorities are for a much stronger focus on the obligations of jobseekers to actively look for work and to take all practical steps to prepare themselves for work. If they fail to take work that is available, to attend interviews or to complete their pre-employment tasks, there needs to be consequences. This could encourage people to then meet work obligations and gain the benefits from being in employment.

I understand that a more comprehensive sanctions package including the traffic light system will take some time and needs to go through a careful policy programme. However, in advance of that substantive piece, it is my expectation that the Ministry apply the obligations and sanctions that already exist.

As you know, I intend to take a paper to Cabinet on Monday 19 February, to inform my colleagues of the early progress being made against the Government's commitments in the Reducing Benefit Dependency policy. This Cabinet paper confirms my expectations of MSD actively using all levers available to encourage and support people off benefit and into work.

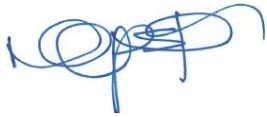
The Prime Minister and I intend to talk about this publicly from Monday 19 February.

In spite of the difficult economic times, we see your frontline staff continually doing an excellent job working with jobseekers and placing people into vacancies. I believe that reinforcing the obligation for people to do what they can to improve their employability will assist their efforts.

As per your normal reporting to me, I would like you to make sure this is specifically tracked so we can see how this is being applied and make sure it is working as intended.

I am looking forward to working with you and the Ministry of Social Development to support the people who need our help over the next few years.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Louise Upston', with a stylized flourish at the end.

Hon Louise Upston
Minister for Social Development and Employment