

## Ā mātau tūtohu pānga whakahaere Our organisational impact indicators

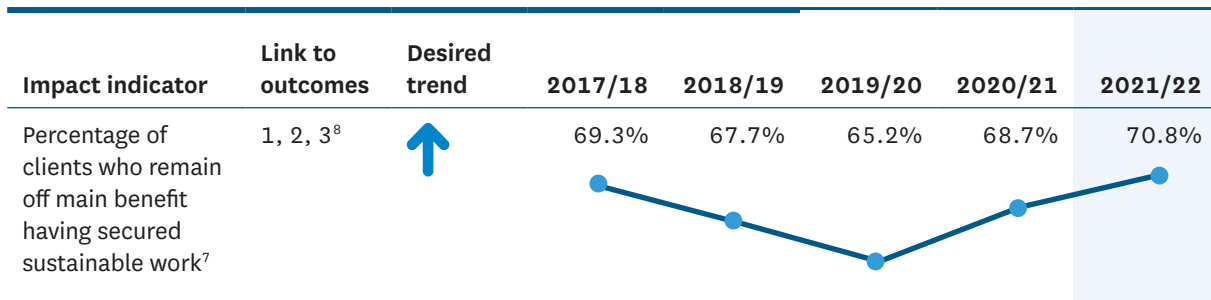
Indicators help us understand our progress towards achieving our outcomes, impacts and key shifts.

These indicators are designed to show the direction in which we would like to see results head over time. We expect them to evolve over time as we develop new and improved ways to measure what we think is important, including what we would like to but currently cannot measure.

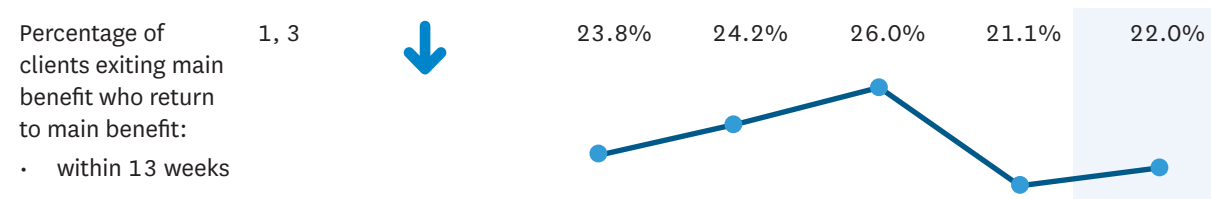
The results we have seen so far are helping to establish baselines on which we can measure progress in future years. Results in general indicate that performance is not yet following the desired direction of travel for most indicators.

The current and historical performance results and trends for our impact indicators are shown below.

### Current and historical results for our impact indicators



The strength of the labour market contributes to the ease and speed with which people find and stay in work. Overall, New Zealand's economic conditions remain strong. This has resulted in a high level of work-exits and has also helped New Zealanders to remain in employment (as seen with the improved sustainability of the work-exits result).



<sup>7</sup> A sustained outcome is where a client has not returned to a main benefit 26 weeks after exiting for work.

<sup>8</sup> Our outcomes are:

Outcome 1: New Zealanders get the support they require

Outcome 2: New Zealanders are resilient and live in inclusive and supportive communities

Outcome 3: New Zealanders participate positively in society and reach their potential.

Impact indicator	Link to outcomes	Desired trend	2017/18	2018/19	2019/20	2020/21	2021/22
Percentage of clients exiting main benefit who return to main benefit: • within one year		↓	50.4%	52.4%	52.8%	55.5%	45.8%

The percentage of clients returning to a main benefit within 13 weeks of exit increased in 2021/22. This reflects the impact that the COVID-19 lockdowns had on businesses, but the measure is still an improvement on previous years.

Clients who exited in this period included those who were immediately impacted by job losses following the first lockdown in April 2020. These clients were close to the labour market and were able to secure sustainable employment once lockdowns were lifted. The labour market in New Zealand has also been tight since 2020 and this has helped our other clients to remain off benefit.

Average future years on benefit <sup>9</sup>	1, 3	Desired trend	2017/18	2018/19	2019/20	2020/21	2021/22
		↓	10.6 years	11.6 years	11.6 years	12.4 years	12.8 years

This estimate considers the historical, current and estimated future dynamics of the benefit system. The result is an average figure across all main benefit types. Changes to the dynamics of the benefit system will impact the estimated future years on benefit in different ways for different benefit types. For example, year-on-year increases in the rate at which people exit the benefit system into sustainable employment would likely reduce the average estimated future years on main benefit for Jobseeker Support-Work Ready (JS-WR) clients.

Projected average future years on main benefit have increased from 12.4 in 2020 to 12.8 in 2021 for main benefit clients. The main factors influencing this are:

- Prior to the COVID-19 pandemic, the rate that people exited main benefits had been falling. This increases how long people are projected to remain on a main benefit. This was particularly true for JS-WR and Sole Parent Support (SPS) clients.
- Improved economic forecasts (HYEFU 21) offset some of this increase. This includes reduced future unemployment rates which, all else being equal, results in clients spending less time on main benefits.
- People who accessed support during the pandemic tended to be closer to the labour market than in the past. This group is projected to spend less time on a main benefit. As a result, projected future years on main benefit for all Jobseeker Support clients did not increase by as much as it otherwise might have.

9 The number of years, on average, for which people receiving a benefit at 30 June in the respective year are expected to be supported by a benefit over the remainder of their working lives. The key driver in predicting the average future years on benefit (the future years projection) is how people move into, through and out of the benefit system. For example, if it is harder for people to exit the benefit system then, all else being equal, the future years projection will increase. Several factors can influence how people move through the benefit system, including:

- changes in the labour market, such as forecast unemployment rates – all else being equal, increases in current and forecast unemployment rates will lead to increases in predicted future years on a main benefit. This is because those supported by a benefit will typically find it harder to find employment and, once they do, are more likely to cease employment if unemployment is high
- policy and operational settings; for example, successful programmes that help clients move to sustainable employment can reduce predicted future years on main benefit
- demographic changes – if, for example, the proportion of clients who have a relatively low future years projection increases, then the overall future years projection will decrease. If the proportion of clients supported by a benefit who are young increases then, all else being equal, the future years projection will also increase as young clients have a longer working lifetime remaining
- methodology changes – every year, the models that predict future time on benefit are improved with new data and modelling techniques that help us understand more about how people transition through the benefit system. These can impact the future years projection. The exact impact will depend on the particular change.

Impact indicator	Link to outcomes	Desired trend	2017/18	2018/19	2019/20	2020/21	2021/22
Median time to house 1, 2, 3 clients on the Housing Register <sup>10</sup>							
• overall		↓	63 days	101 days	126 days	168 days	218 days
• Priority A clients		↓	62 days	104 days	128 days	175 days	224 days

These results reflect the Public Housing Register. The needs of New Zealanders are changing, and many families are finding it harder to access the private rental market. This is particularly true for those who have been renting for a while and now need to find a place to live in a more expensive and competitive housing market.

The broader housing market situation contributes to a growing Public Housing Register. The public housing assessment measures an applicant’s need to move and their ability to access, afford and sustain a private rental. If an applicant meets the eligibility criteria, needs a home, and has very limited options in the private rental market, they will likely qualify for public housing. We are seeing more people with fewer options in the private market, and this is also reflected in higher numbers in emergency and transitional housing.

<sup>10</sup> Results shown here for prior years differ from those reported previously to correct a previous reporting error, as previous results were for the June quarter in each year (2017–2019) rather than the full financial year.