



3 February 2025

Tēnā koe

Official Information Act request

Thank you for your request to the Office of the Prime Minister (PMO) received on 3 December 2024.

On 8 January 2025, the Office of the Prime Minister transferred part of your request to the Ministry of Social Development (the Ministry).

You have requested all documents (including draft documents) which discuss progress towards the Nine Government Targets that the Ministry has sent to the Department of the Prime Minister and Cabinet (DPMC) or PMO, since 18 September 2024.

I have considered your request under the Official Information Act 1982 (the Act). Please find my decision on your request set out below.

One document was found in scope of your request:

- Target 5 Quarterly Report Q3 2024

Some information is withheld under section 9(2)(f)(iv) of the Act to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials. The release of this information is likely to prejudice the ability of government to consider advice and the wider public interest of effective government would not be served.

The Ministry of Social Development and the Ministry of Housing and Urban Development (HUD) have joint responsibility for Target 8 of the Government Targets. HUD will shortly be providing you with a response about the jointly owned target, if you haven't received their response already.

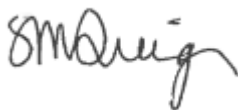
The Ministry also provide Monthly Housing Reports to DPMC before they are published on the Ministry's website. You can find these reports here: www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/housing/housing-monthly-archive/index.html

I will be publishing this decision letter, with your personal details deleted, on the Ministry's website in due course.

If you wish to discuss this response with us, please feel free to contact OIA_Requests@msd.govt.nz.

If you are not satisfied with my decision on your request for documents which discuss progress towards the Nine Government Targets, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Ngā mihi nui

pp. 

Anna Graham

General Manager
Ministerial and Executive Services

Target Quarterly report

Target 5 – Fewer people on the Jobseeker Support benefit

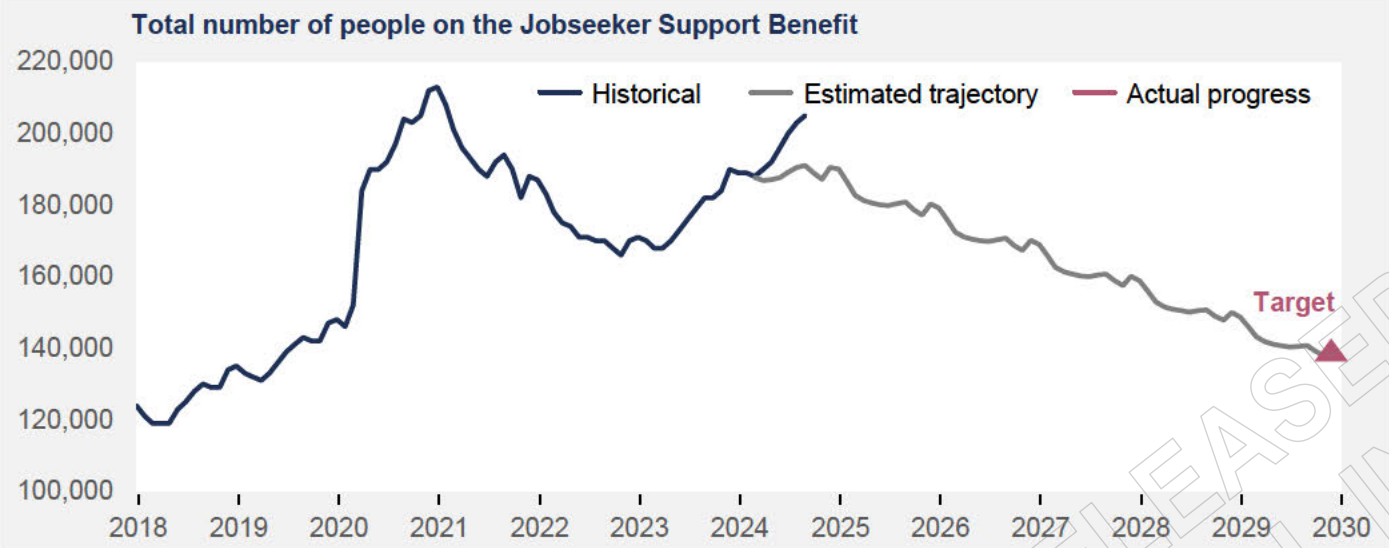
Fifty thousand fewer people on the Jobseeker Support benefit.

Quarter ending
30 September 2024

Current Target Performance

Status	Target (Dec 2029)	Current performance at Sep-24	Change vs last quarter
<div></div>	50k reduction (140k people)	204,800	+8,400

Trajectory towards target



What are the key issues and risks?

Economic outlook – Economic conditions drive changes in the number of benefit recipients. Consistent with the Treasury’s economic outlook, Jobseeker Support (JS) is forecast to increase to peak in January 2025, before decreasing as economic conditions begin to improve.

Health outcomes – Health Condition and Disability clients make up around 43 percent of JS recipients and has contributed towards 5,350 of this quarters increase in JS over the last quarter. Successfully addressing barriers and assisting this cohort into employment often requires working alongside health services and developing specialised support. Further system level change and integration will be required to strengthen and reinforce MSD’s services for this cohort to achieve the target.

Immigration – The number of Accredited Employer Work Visas (AEWV) being granted for entry level and lower skilled roles impacted MSD’s ability to place clients into the local labour market. However, recent changes will help to reduce immigration at the lower-skilled end of the labour market.

Staffing and income support pressures – MSD’s frontline staff provide employment support and administer benefits. As a result, any changes to benefit inflows, or staffing constraints on the frontline will impact progress towards the target.

Actions and Insights

What is driving changes in performance vs. last quarter?

The number of people on JS has been rising (excluding usual seasonal factors) over the last quarter. This is due to a rising number of people coming on to benefit. The increase reflects the weakening of economic conditions, as the Reserve Bank of New Zealand has kept interest rates high to reduce inflation from its peak. Despite the economic challenges the number of people who exit JS into employment has increased by 2,500 compared to the same quarter last year.

What is the progress of key initiatives that support target delivery?

Resetting Case Management and the Employment Investment Strategy – From 1 July 2024, MSD began resetting caseloads within case management to focus on Jobseeker Support cohorts, specifically those with work obligations. A new Employment Investment Strategy is also being implemented, reflecting these cohorts to ensure that support and investment is directed towards cohorts that will have the biggest impact on the target.

Phone-based Case Management – A new service started on 1 July 2024 offering phone-based case management (PBCM) for 4,000 Jobseeker Support youth clients. MSD is progressing plans to increase capacity in PBCM further to reach 10,000 by the end of the year

Kōrero Mahi Seminars – MSD has been expanding the number of one-to-many seminars as part of the Kōrero Mahi offering. **Let’s Talk Work** has been running since February 2024 and ensures all new entrants to Jobseeker Support are informed of their obligations and available supports. **Work Check-In** seminars began in June with clients who have been on Jobseeker Support for 26 weeks and ensures they are supported to take steps towards work. **Into Work** began in September and will support clients with work preparation obligations to get information about the supports available to them.

Welfare that Works – Community coaches. Year 1 of Welfare that Works will be starting with 2,100 places for youth Jobseeker Support clients offering needs assessments and individual plans. The first contracts were progressively in place by 1 July.

Improving focus on Jobseekers – As recently announced, MSD is ensuring that flagship programmes such as Flexi-Wage and Mana in Mahi have a stronger focus on beneficiaries. We are aiming for 70-75% of Flexi-wage recipients and 40-50% of Mana in Mahi recipients to be on Jobseeker (including Work Ready and Health Condition or Disability)

Welfare System Changes – MSD has implemented the first non-legislative changes for the new traffic light system intended to ensure jobseekers are aware and up-to-date with their obligations. Work is continuing to implement the 26-week reapplication change.

Individual Employment Plans – We are implementing individual employment plans for clients to ensure they have a clear list of actions and expectations for getting into work

What decisions and actions are required from Ministers?

Drafting of legislation to introduce the Traffic Light System and 26-week Re-applications is underway. The Bill is on track to be introduced in December 2024. Legislative change will be enacted by May 2025 (depending on Bill timings) to enable full policy changes.

s9(2)(f)(iv)

Target 5 – Supporting indicators

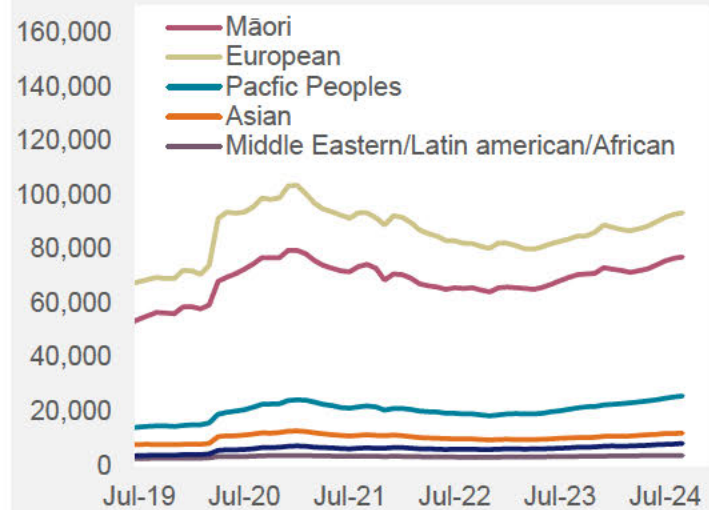
Economic activity as measured by GDP decreased in the June 2024 quarter and in the year to June 2024 as interest rates were raised to reduce economic activity and inflation. As a result, there has been an increase in the number of people being granted a Jobseeker Support benefit.

Quarter ending
30 September 2024

Target Breakdown

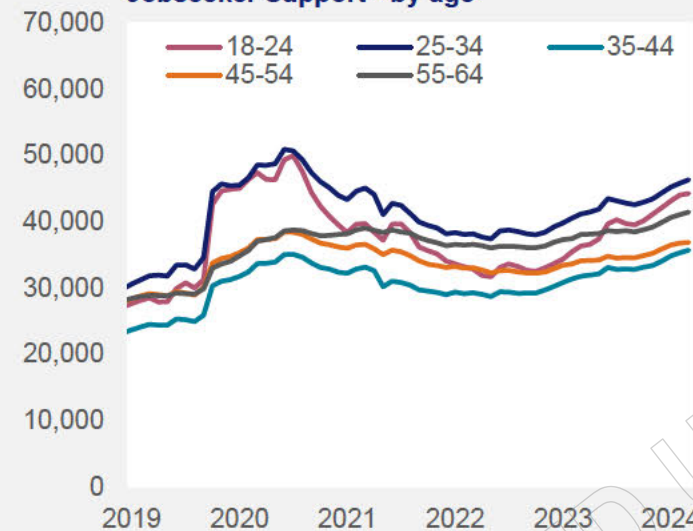
Demographic Breakdown

Jobseeker Support - ethnicity (total response)



As at the end of Sep 2024, European and Māori make up most of the recipients on JS (49% and 40% respectively). In the last quarter, both increased by 4%.

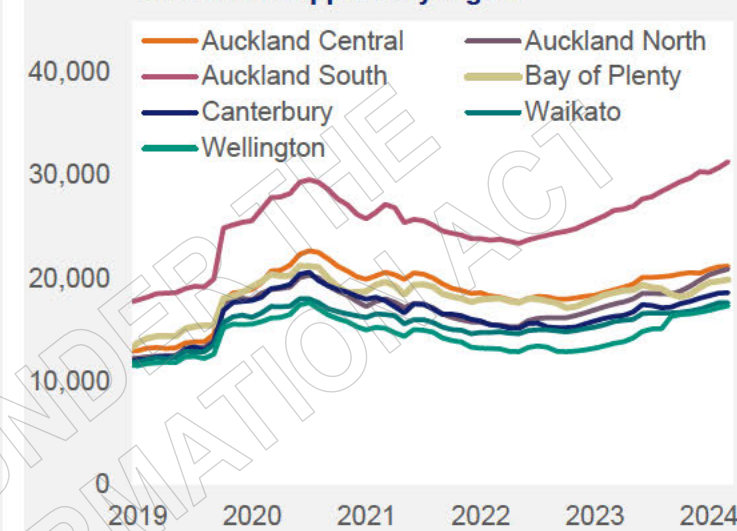
Jobseeker Support - by age



Youth (18-24) on JS have seen larger increases than other age bands in the past year. In the last quarter, youth increased by 5%.

Geographic Breakdown

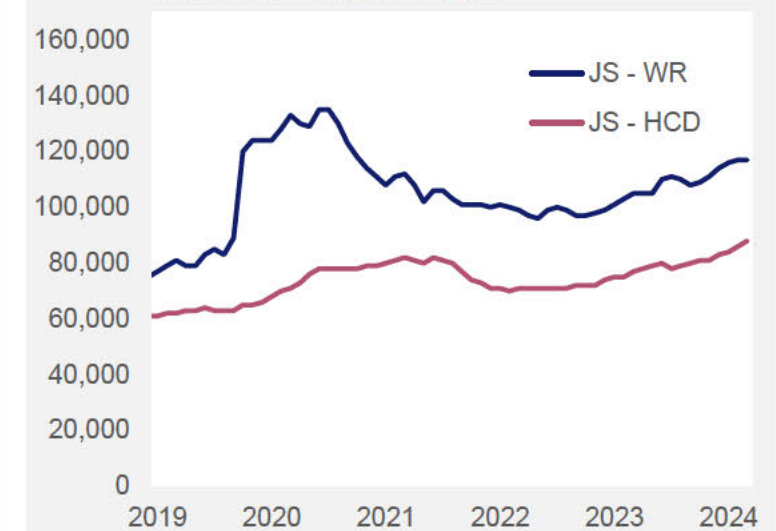
Jobseeker Support - by region



As at the end of Sep 2024, most recipients on JS were in Auckland South (15%). In the last quarter, East Coast increased the most by 9%.

Jobseeker Support – Breakdown

Jobseeker Support – by type

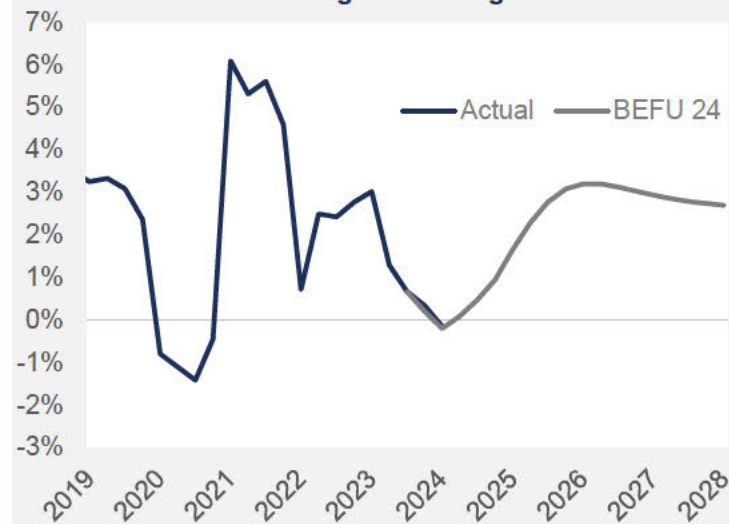


As at the end of Sep 2024, around 57% of people receiving JS were receiving JS – WR, and around 43% were receiving JS – HCD.

Leading Indicator

Leading Indicator – GDP growth

GDP - Annual Average Percentage Growth



Treasury's GDP forecast is a direct input into the Jobseeker Support – Work Ready forecast. During periods of weaker economic growth, it becomes harder for people to find and retain work.

System Indicators

System Indicator 1 - Grants

Number of grants in each Sept quarter for Jobseeker Support



In July – Sep 2024 there were around 43,300 JS grants. This is around 5,600 more than in the same period in 2023 and has been increasing since 2022.

System Indicator 2 - Exits

Number of exits in each Sept quarter for Jobseeker Support



In July – Sep 2024 around 34,000 people left JS. Of these, around 16,100 left JS to enter work*. There were around 5,200 more total exits than in the same period in 2023.

*based on when clients advise MSD they have exited to employment.

System Indicator 3 - Sanctions

Number of Sanctions applied in each Sept quarter for Jobseeker Support



In July – Sep 2024 there were around 14,200 sanctions applied to JS recipients. This is around 8,500 more sanctions than in the same period in 2023.