



18 November 2025

Tēnā koe

Official Information Act request

Thank you for your email of 13 October 2025, requesting copies of any reporting received by the Chief Executive of the Ministry of Social Development (the Ministry) related to employment and work statistics during August 2025.

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

Please see attached the following documents that were received by the Chief Executive of the Ministry, Debbie Power, during the month of August:

1. **REP/25/8/612** – JS support trends in the context of unemployment over the last ten years
2. **REP-25-7-538** - Aide-Memoire- Monitoring of Government Targets and Priorities
3. **REP/25/8/610** – Monthly Traffic Light Reporting Summary

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.

Other information is withheld under section 9(2)(a) of the Act in order to protect the privacy of natural persons. The need to protect the privacy of these individuals outweighs any public interest in this information.

The Chief Executive received a copy of the July 2025 Monthly Benefits update on 13 August 2025. This monthly update is published on the Ministry's website, here: www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/monthly-reporting/archive/2025-archives-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, 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

A handwritten signature in black ink, consisting of a stylized 'A' followed by a horizontal line.

Anna Graham

General Manager
Ministerial and Executive Services

Report



**MINISTRY OF SOCIAL
DEVELOPMENT**
TE MANATŪ WHAKAHIATO ORA

Date: 15/08/2025 **Security Level:** In confidence
To: Hon Louise Upston, Minister for Social Development and
Employment

File Reference: REP/28/8/612

Jobseeker Support trends in the context of unemployment over the last ten years

Purpose of the report

- 1 The purpose of this report is to:
 - 1.1 Outline the relationship between unemployment and Jobseeker Support (JS) and why there has been a divergence in recent years.
 - 1.2 Describe longer term trends of people on JS with a focus on the length of time they have spent on a benefit.

Executive summary

- 2 The trend in the number of people on JS and people who are unemployed can move in different directions over short periods because they are not the same people. Around one third of unemployed people are on Jobseeker Support – Work Ready (JS – WR).
- 3 For example, some unemployed people may be ineligible for JS-WR but are counted as 'Unemployed' in the HLFS.
- 4 Some people may be 'not in the labour force' and are considered not actively seeking work in the HLFS, whereas MSD has a different definition; a person on JS – WR can meet work obligations by searching for jobs online/other locations.

- 5 From 2018 economic conditions started to soften and the welfare system had lower levels of activation compared to recent years due to a shift in government focus.
- 6 Resourcing pressures combined with this shift of focus meant that for a period, front line resources were prioritized toward income support rather than proactive employment focused intervention.
- 7 Recent increases in JS are mostly from people who have been on benefit for less than two years. These clients made up around 126,500 people at the end of the June 2025 quarter and account for around 59% of all people on JS. Over the past 10 years to June 2025, the largest growth in JS has been from people with longer durations of between 2 – 5 years on benefit.

RELEASED UNDER THE
OFFICIAL INFORMATION ACT

Recommended actions

It is recommended that you:

- 1 **Note** the key findings on Jobseeker Support trends in the context of unemployment from Appendix 1 are:
 - 1.1 Unemployment and JS usually move in similar directions over the long term as both respond to economic conditions.
 - 1.2 There can also be shorter periods where the relationship between the two have diverged because they are not the same people. Around one third of unemployed people are on JS – WR.
 - 1.3 From 2018 economic conditions started to soften and the welfare system had lower levels of activation compared to recent years due to a shift in government focus.
 - 1.4 Resourcing pressures combined with this shift of focus meant that for a period, front line resources were prioritized toward income support rather than proactive employment focused intervention.
- 2 **Agree** to forward a copy of this report to the Minister of Finance

Agree / Disagree

P.P. *Fleur McLaren*

Sacha O'Dea
Deputy Chief Executive, Strategy & Insights
Ministry of Social Development

15/8/2025

Date

[Signature]

Hon Louise Upston
Minister for Social Development and
Employment

20250901

Date

Background

- 8 The relationship between unemployment and JS diverged around 2018. Although in recent years they have moved in a similar direction, a gap between the two remains.
- 9 Benefit numbers have continued to increase in recent years and the number of people on benefit is higher than levels seen 10 years ago. The time a person is forecast to spend on benefit has been increasing since 2017, with more people on JS who have had longer durations on benefit.

Jobseeker Support and the unemployment rate can move in different directions over short periods

- 10 Unemployment and JS usually move in similar directions over the long term as both respond to economic conditions.
- 11 To be categorised as unemployed in the New Zealand Household Labour Force Survey, a person must not have a paid job, be available to start work and have been actively seeking work in the last four weeks or be due to start a new job in the next four weeks.
- 12 Actively seeking means they go beyond browsing job vacancies in the local newspaper or on the internet.
- 13 There can also be shorter periods where the relationship between the two have diverged because they are not the same people. Around one third of unemployed people are on JS – WR.
- 14 For example, some unemployed people may be ineligible for JS – WR but are counted as 'Unemployed' in the HLFS.
- 15 Some people may be 'not in the labour force' and are considered not actively seeking work in the HLFS, whereas MSD has a different definition; a person on JS – WR can meet work obligations by searching for jobs online/other locations.
- 16 From around 2018 the relationship between JS numbers and the number of people who are unemployed began to diverge.
- 17 Since 2023, the unemployment rate and JS as a portion of the labour force have both been rising due to a weakening economy.

Various factors have contributed to a divergence between JS and unemployment since 2018

- 18 From around 2018, the relationship between Jobseeker numbers and the number of people who are unemployed began to diverge. During this time, economic conditions started to soften, and the welfare system had lower

levels of activation compared to recent years due to a shift in government focus.

- 19 Resourcing pressures combined with this shift of focus meant that for a period, front line resources were prioritized toward income support rather than proactive employment focused intervention. For example, resources were redeployed towards managing income support demands such as New Zealand Super and Hardship support.
- 20 Wider awareness of welfare support may have also resulted in more unemployed people receiving a benefit as more people are aware of their entitlements or are more comfortable accessing income support.
- 21 Since the borders fully re-opened in July 2022, record high migration over this time may have made it harder for some beneficiaries to move into work, especially in some regions. JS recipients who have previously been employed in lower skilled jobs, opportunities to move into work may be relatively more limited.
- 22 Since 2023, the relationship between the number of people unemployed and on JS – WR has been recovering closer to the pre-2018 trend. This has coincided with a shift in government policy and MSD's activity toward much higher levels of work focus and activation in the welfare system.
- 23 This relationship is, however, weaker when total JS numbers are considered as a result of increasing numbers of people moving onto JS – HCD.

Jobseeker Support numbers have been increasing but at a slower rate than the GFC

- 24 As at the end of the June 2025 quarter, there were around 216,000 people on JS, with 120,800 people on JS – WR and 95,200 people on Jobseeker Support – Health Condition or Disability.
- 25 JS has increased by around 45,900 people (27%) over the first 25 months of this current period, compared to around 62,100 people (73%) over the same period during the GFC.
- 26 Youth (18 – 24) are driving the current increase in Jobseeker Support. This is in line with what we would expect to see in periods of weak economic conditions.

The number of people on Jobseeker Support who have been on benefit for less than two years is increasing

- 27 Recent increases in JS are mostly from people who have been on benefit for less than two years. These clients made up around 126,500 people at the end of the June 2025 quarter and account for around 59% of all people on Jobseeker Support.

- 28 The number of people who have been on benefit for less than two years has on average been increasing since June 2023 and risen by around 28,700 people (29%).
- 29 However, over the past 10 years to June 2025, the largest growth in JS has been from people with longer durations of between 2 – 5 years on benefit. Since June 2015, this group has doubled in size, increasing by around 24,500 people and currently makes up around 21% of JS recipients as of June 2025. This is likely a flow-on from people who came onto benefit during past economic shocks.

After 6 months on benefit, the likelihood of leaving benefit and into work significantly reduces

- 30 The likelihood of exiting a benefit decreases significantly after 6 months of receiving a benefit, whether a person leaves into employment or for other reasons.
- 31 A person's likelihood to exit into employment is:
- 31.1 41.7% if they have been on benefit for 3 – 6 months.
 - 31.2 23.3% if they have been on benefit between 1 – 2 years.
 - 31.3 3.7% for people who have been on benefit for more than 4 years.

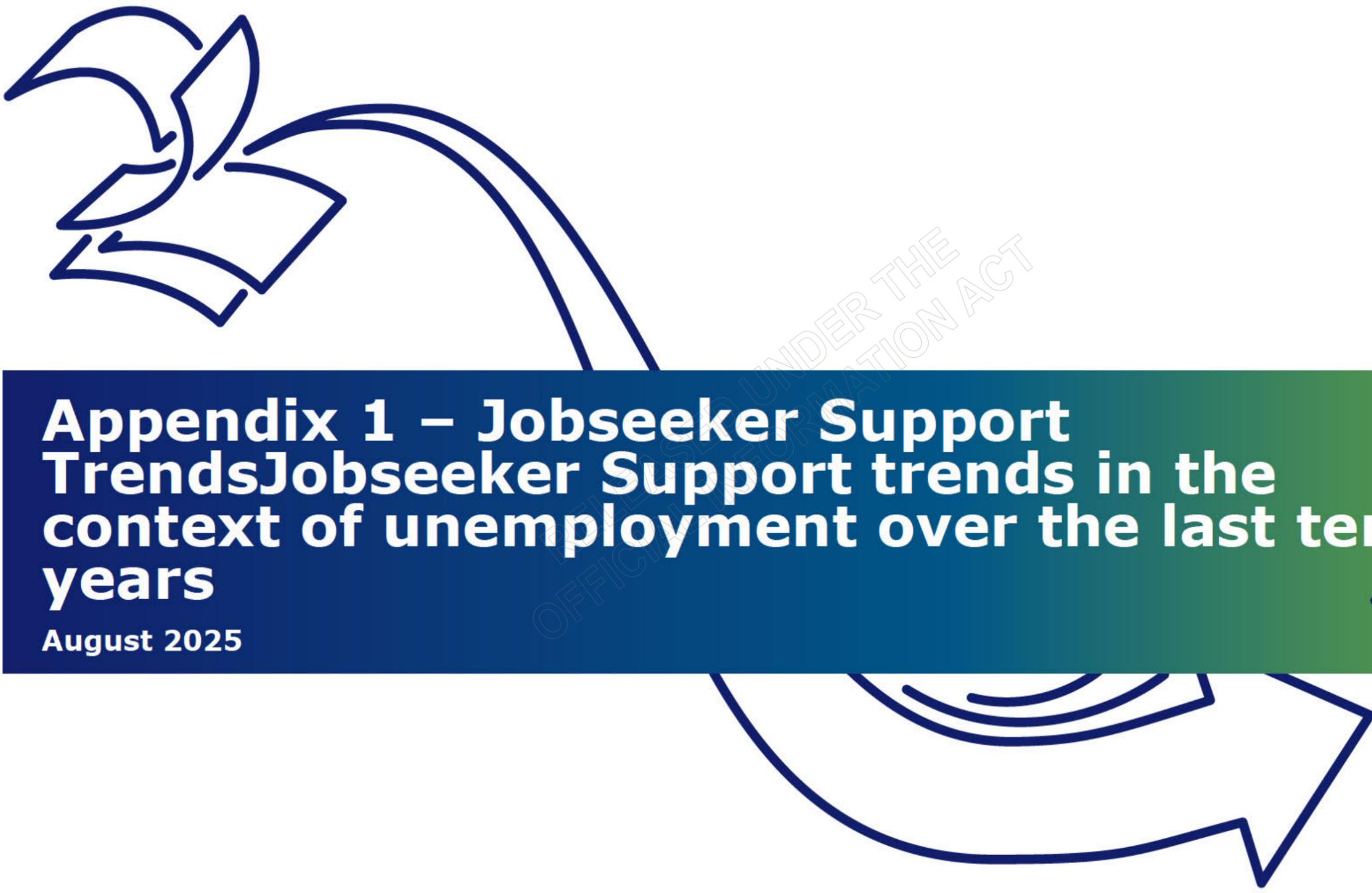
Appendix

- 32 Appendix 1 – Jobseeker Support trends in the context of unemployment over the last ten years

File ref: REP:25/8/612

Author: Dean Shelley, Senior Analyst, Forecasting & Costing

Responsible manager: Sacha O'Dea, Deputy Chief Executive, Strategy & Insights



**Appendix 1 – Jobseeker Support
Trends** Jobseeker Support trends in the
context of unemployment over the last ten
years

August 2025

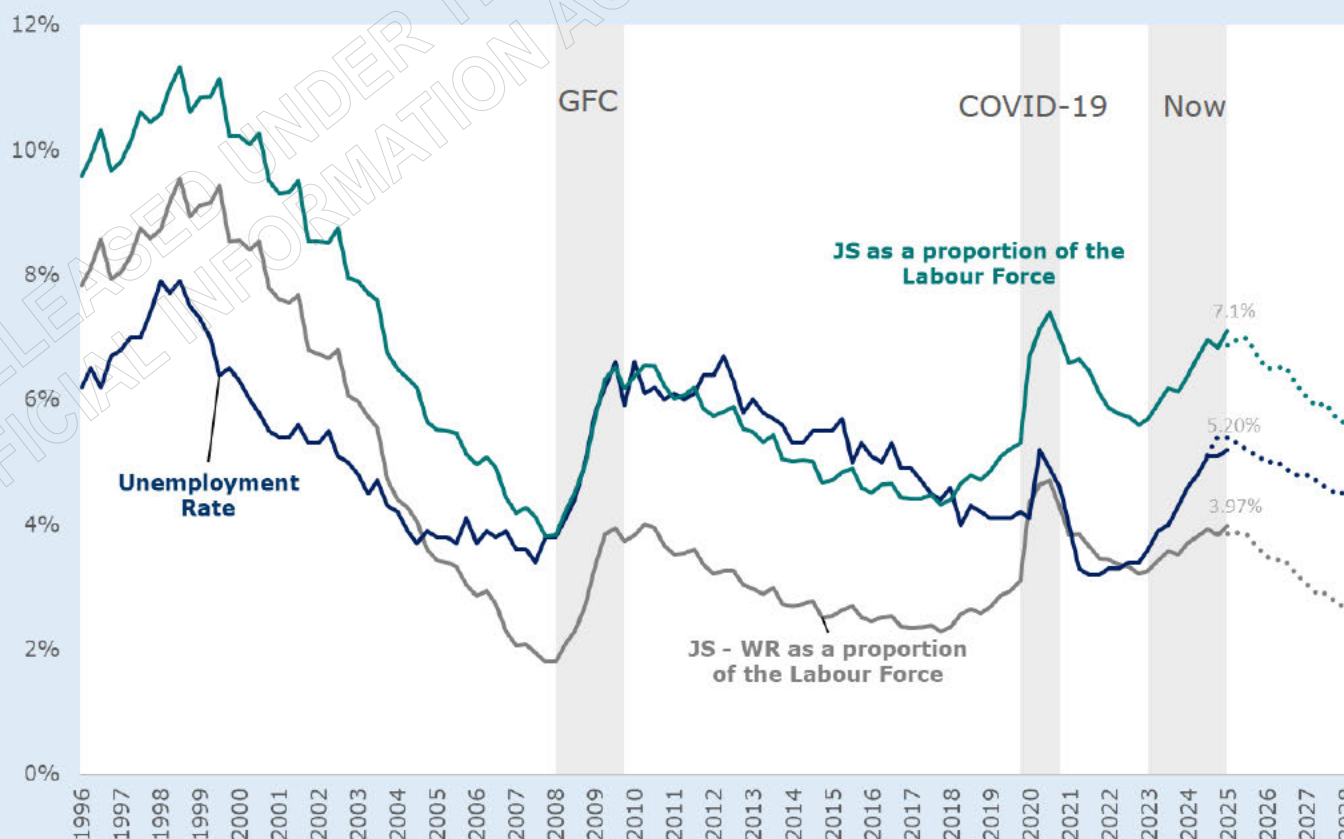


Jobseeker Support and the unemployment rate can move in different directions over short periods

- > Unemployment and JS usually move in similar directions over the long term as both respond to economic conditions.
- > There can also be shorter periods where the relationship between the two have diverged because they are not the same people. Around one third of unemployed people are on Jobseeker Support – Work Ready (JS – WR).
 - > For example, some unemployed people may be ineligible for JS-WR but are counted as 'Unemployed' in the Household Labour Force Survey.
 - > Some people may be 'not in the labour force' and are considered not actively seeking work in the HLFS, whereas MSD has a different definition; a person on JS – WR can meet work obligations by searching for jobs online/other locations.
- > From around 2018, the relationship between Jobseeker Support numbers and the number of people who are unemployed began to diverge.
- > Since 2023, the unemployment rate and JS as a portion of the labour force have both been generally rising due to a weakening economy.

Unemployment Rate vs Jobseeker Support

As % of Labour Force (Dotted lines are the BEFU25 forecast)



Various factors have contributed to a divergence between JS and unemployment since 2018

From around 2018, the relationship between Jobseeker numbers and the number of people who are unemployed began to diverge.

During this time, economic conditions started to soften and the welfare system had lower levels of activation compared to recent years due to a shift in government focus.

Resourcing pressures combined with this shift of focus meant that for a period, front line resources were prioritized toward income support rather than proactive employment focused intervention.

For example, resources were redeployed towards managing income support demands such as New Zealand Super and Hardship support.

Wider awareness of welfare support may have also resulted in more unemployed people receiving a benefit as more people are aware of their entitlements or are more comfortable accessing income support.

Beneficiaries often compete with new migrants for jobs, especially at the bottom end of the labour market.

The ability of JS recipients to return to work is influenced by their skills and experience.

Since the borders fully re-opened in July 2022, record high migration over this time may have made it harder for some beneficiaries to move into work, especially in some regions.

For JS recipients who have previously been employed in lower skilled jobs, opportunities to move into work may be relatively more limited.

These factors may also make it more challenging for some JS recipients to enter work, meaning they may need additional training and support to re-enter the workforce.

Since 2023, the relationship between the number of people unemployed and on JS – WR has been recovering closer to the pre-2018 trend.

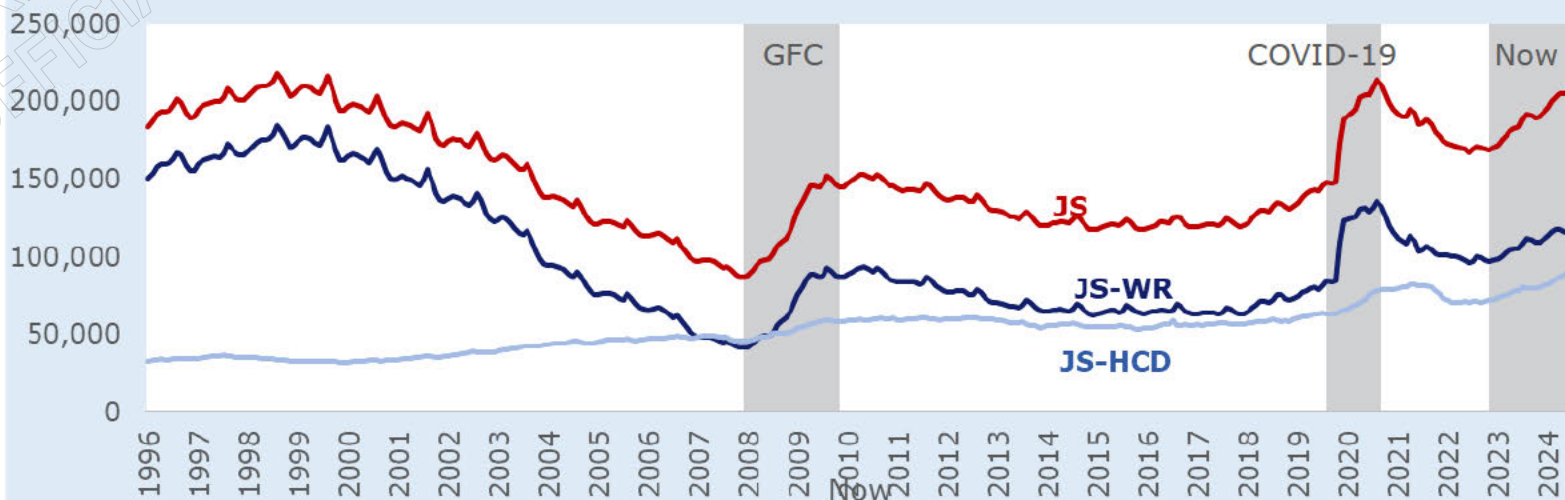
This has coincided with a shift in government policy and MSD's activity toward much higher levels of work focus and activation in the welfare system.

This relationship is, however, weaker when total JS numbers are considered as a result of increasing numbers of people moving onto JS – HCD.

JS numbers are increasing slower than compared to the Global Financial Crisis (GFC)

- Weak economic and labour market conditions have been contributing to a rising number of people on JS.
- As at the end of the June 2025 quarter, there were around 216,000 people on JS:
 - 120,800 people on JS – WR,
 - 95,200 people on Jobseeker Support – Health Condition or Disability (JS – HCD).
- JS has increased by around 45,900 people (27%) over the first 25 months of this current period, compared to around 62,100 people (73%) over the same period during the GFC.

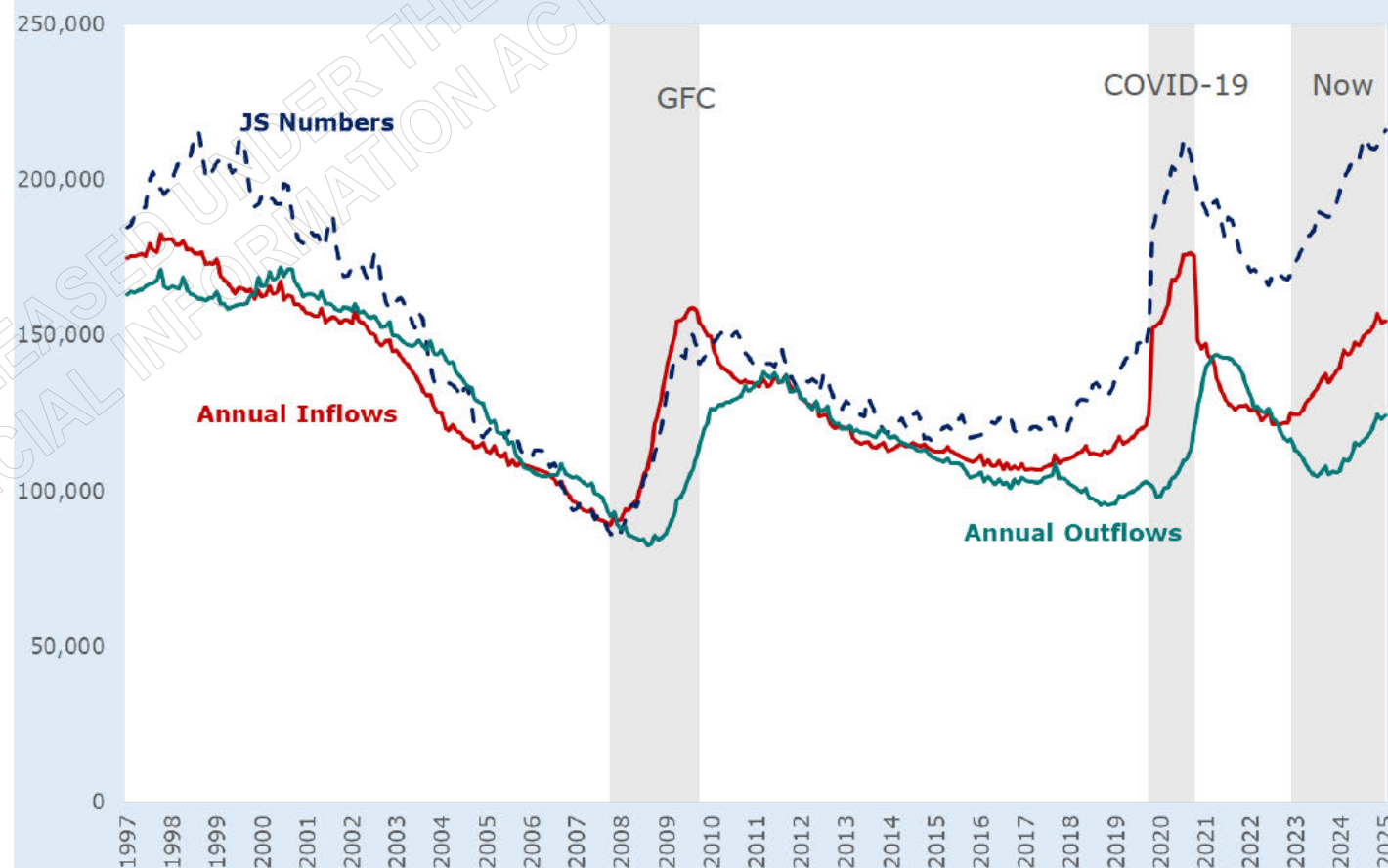
Jobseeker Support - Increase compared to past events



Increases are due to more people are coming onto JS, rather than less people leaving benefit

- > The current increase in JS numbers is being caused by an increasing number of inflows from people outside the benefit system (up by 11% in the last 12 months compared to the 12 months prior).
- > This can include people who are completely new to benefit or may have been on a benefit in the past.
- > The rate at which people exit JS into work over the last 12 months is on average 2.8%. This has remained below the 10-year average of 3.6% since around mid-2023.
- > The number of people exiting into work from JS has increased and is around 18% higher in the last 12 months compared to the 12 months prior, (around 10,600 more people), with MSD continuing to support people off-benefit in a tougher labour market.
- > The gap between the number of people coming onto benefit and the number of people exiting has remained relatively unchanged, as exits have increased at the same time as increasing inflows.

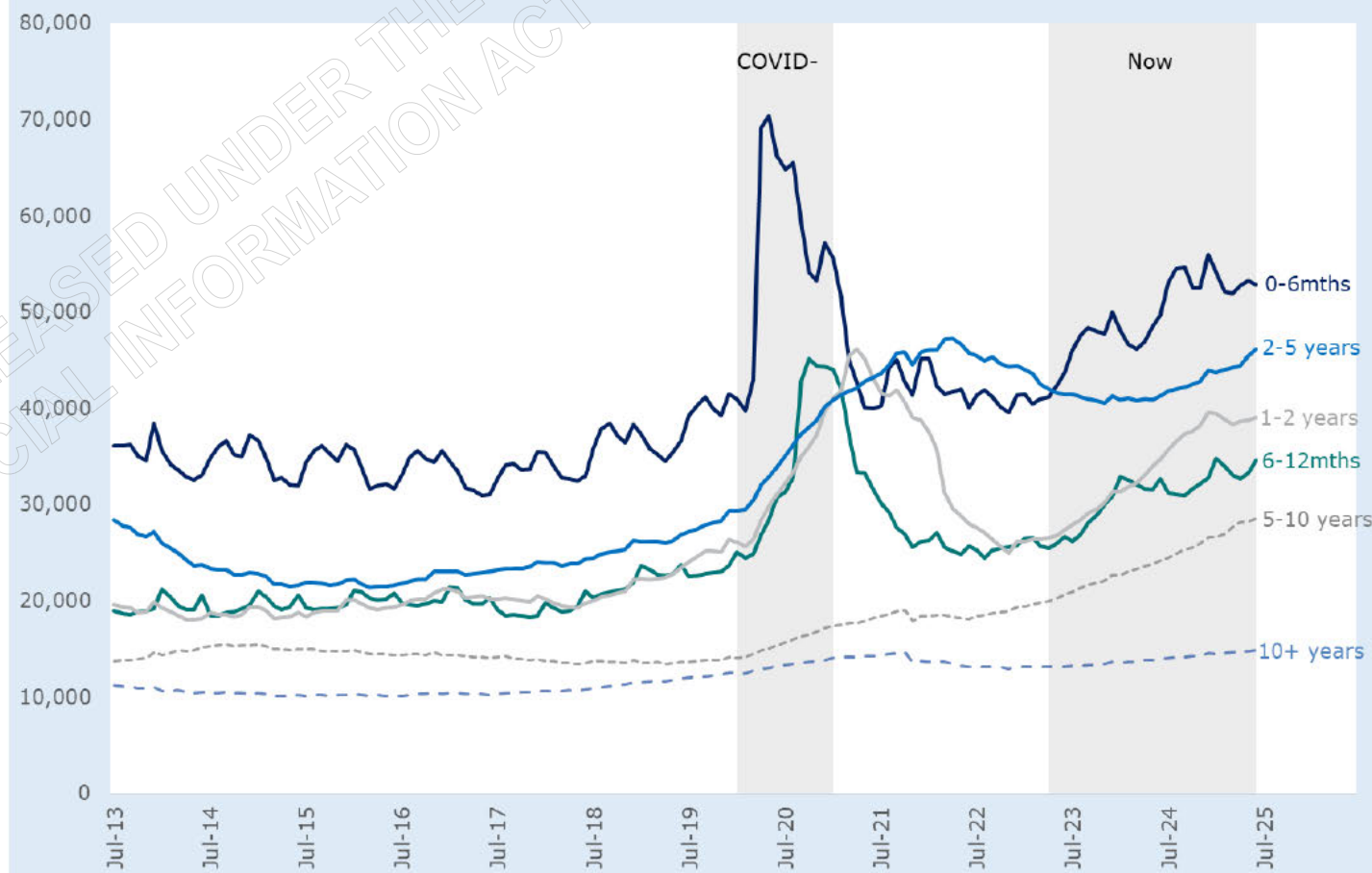
Jobseeker Support, annual inflows and annual outflows (excluding transfers to other benefits)



The number of people on JS who have been on benefit for less than two years is increasing

- Recent increases in JS are mostly from people who have been on benefit for less than two years which is made up of around 126,500 people at the end of the June 2025 quarter and account for around 59% of all people on Jobseeker Support.
- The number of people who have been on benefit for less than two years has on average been increasing since June 2023 and risen by around 28,700 people (29%).
- Over the past 10 years to June 2025, the largest growth in JS has been from people with longer durations of between 2 – 5 years on benefit. Since June 2015, this group has doubled in size, increasing by around 24,500 people and currently makes up around 21% of JS recipients. This is likely a flow-on from people who came onto benefit during past economic shocks.
- People with longer durations on benefit usually have higher barriers to employment and need more time and support to move off benefit.

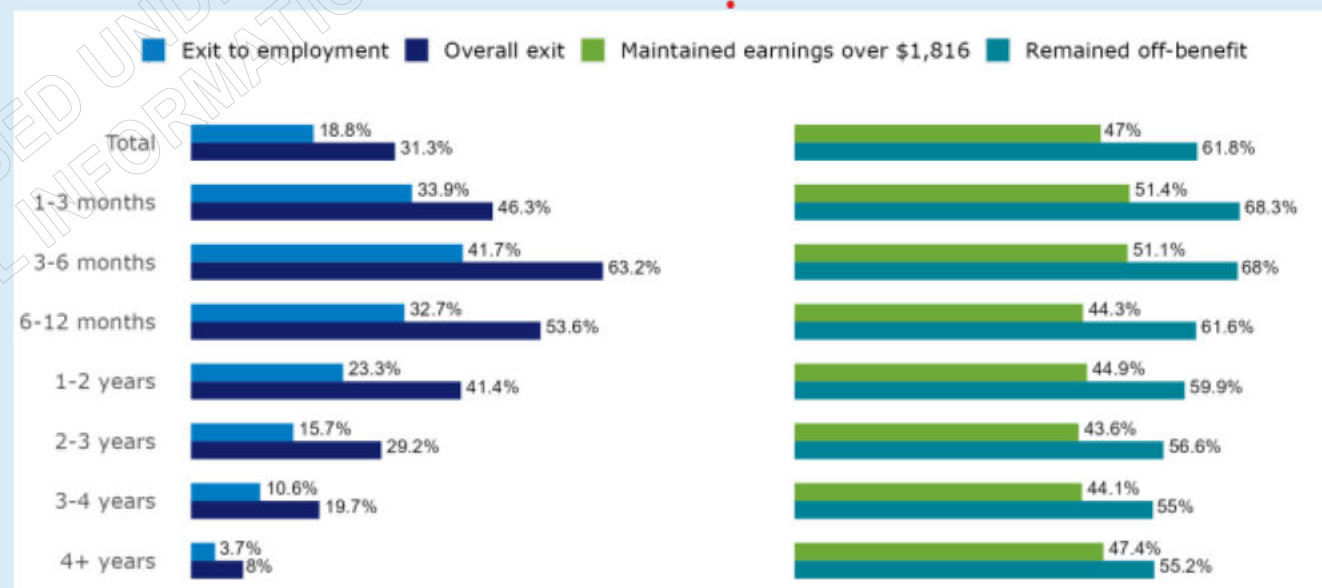
Jobseeker Support by continuous duration on benefit



After 6 months on benefit, the likelihood of leaving benefit and into work significantly reduces

- > The likelihood of exiting a benefit decreases significantly after 6 months of receiving a benefit, whether a person leaves into employment or for other reasons.
- > A person's likelihood to exit into employment is:
 - > 41.7% if they have been on benefit for 3 – 6 months.
 - > 23.3% if they have been on benefit between 1 – 2 years.
 - > 3.7% for people who have been on benefit for more than 4 years.
- > The trend of decreases in the likelihood of exiting benefit after 6 months duration has remained unchanged since June 2020 when reporting on this series began.

Exits off a main benefit in the year ended June 2022 by time spend on benefit prior to exit



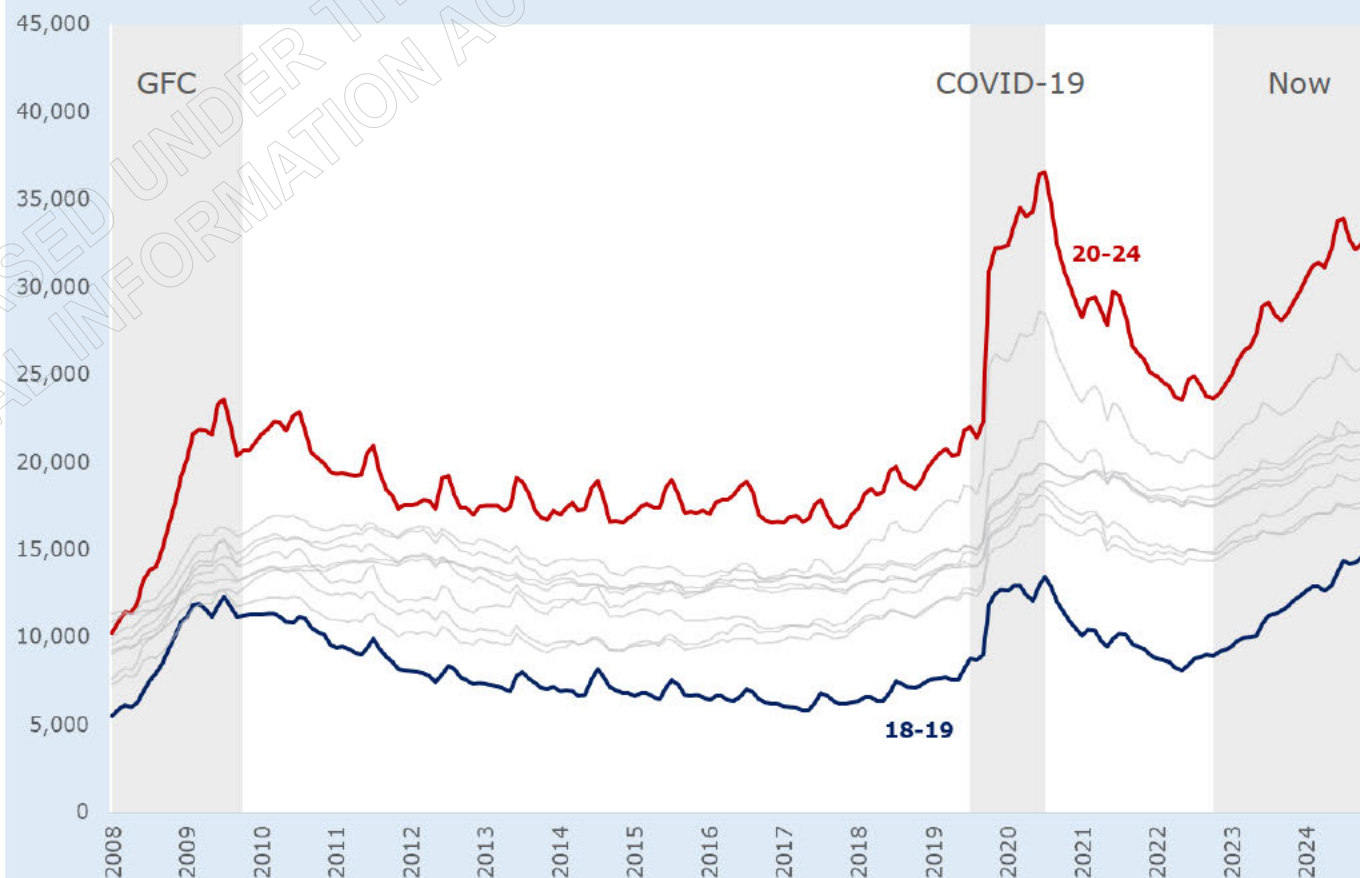
Note: earnings over \$1,816 refers to the monthly income of a person working at least 20 hours a week at minimum wage

Youth are driving the current increase in Jobseeker Support which is consistent with previous economic downturns

- > Youth (18 – 24) have been driving the current increase in Jobseeker Support since 2023. This is consistent with previous periods of weak economic conditions.
- > Young people are more likely to have lower skill levels, more casual employment arrangements, and to be employed in sectors which are more exposed to the effects of economic downturns.
- > However, youth also tend to contribute most to reductions in JS numbers when the economy recovers.
- > Young people accounted for almost half of the increase in unemployment and underutilisation between the June 2023 and 2024 quarters HLFS.
- > Over the long term, youth have increased (18 – 24) at similar proportions to slightly older cohorts of aged 25 – 35 who have increased by 26,900 people and contributed to 27% of growth over the past 10 years. For youth this has increased by 24,600 people and contributed 25% to the total growth in the past 10 years.

Jobseeker Support by Age

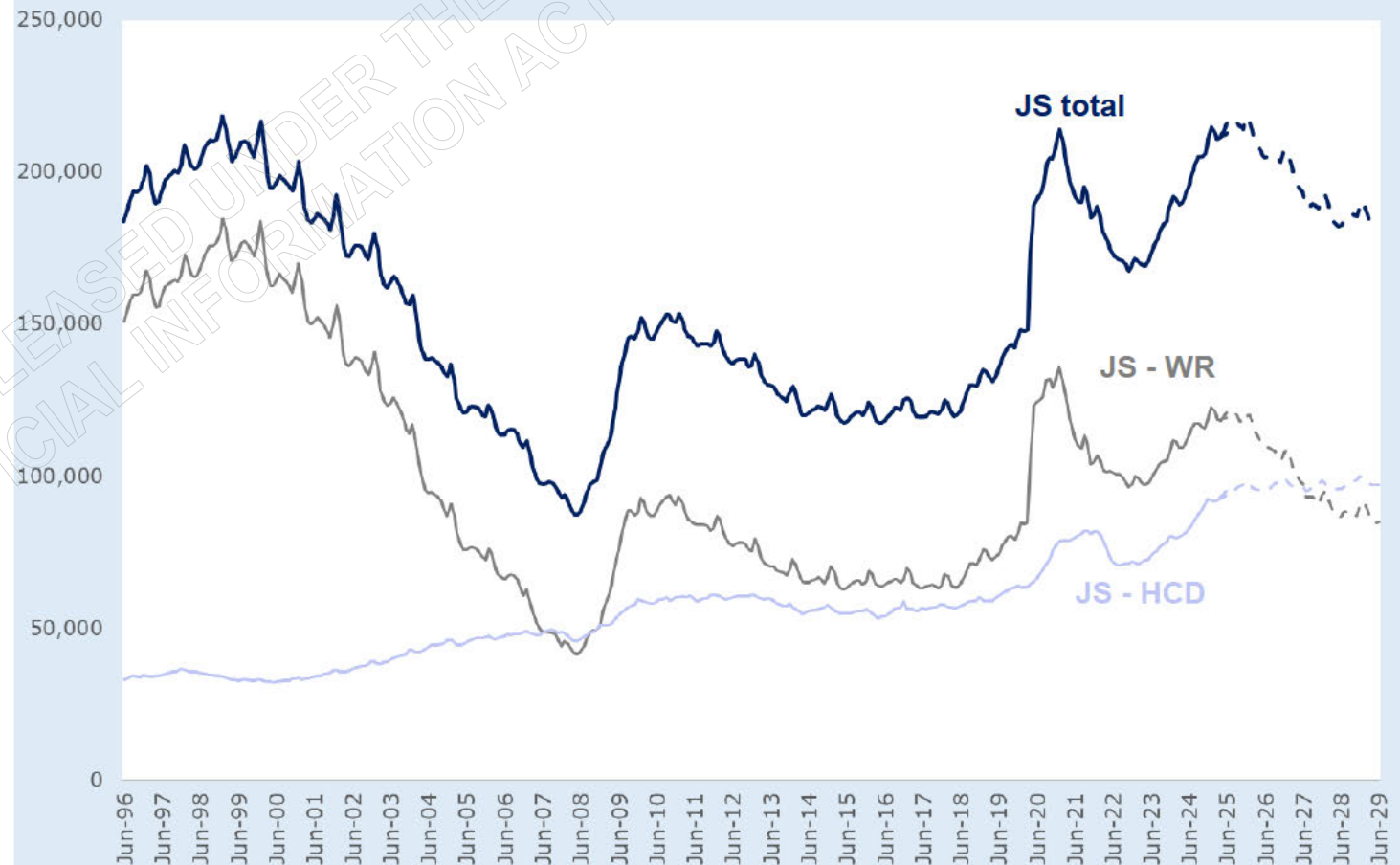
Youth have been increasing faster than other age groups



The number of people receiving Jobseeker Support is forecast to fall after December 2025

- > The number of people on JS is forecast to peak at 217,900 in December 2025 BEFU 2025.
- > Historically, the number of people on JS – WR rises and falls with changes in economic conditions whilst JS – HCD tends to rise over the long-term.
- > The number of people on JS – WR is forecast to remain elevated throughout the rest of the year before decreasing after January 2026 to 84,800 in June 2029 as economic conditions improve.
- > The number of people on JS – HCD is forecast to continue rising after January 2026, to 97,000 in June 2029.
- > 50% of all people receiving JS-HCD have a psychological or psychiatric conditions, which is in line with recent years.
- > In June 2025, the number of people on JS-HCD with a psychological or psychiatric condition has increased by 6,500 people (16%) since this time last year. This is the largest increase in all incapacity groups on JS-HCD. MSD does not forecast by incapacity group.

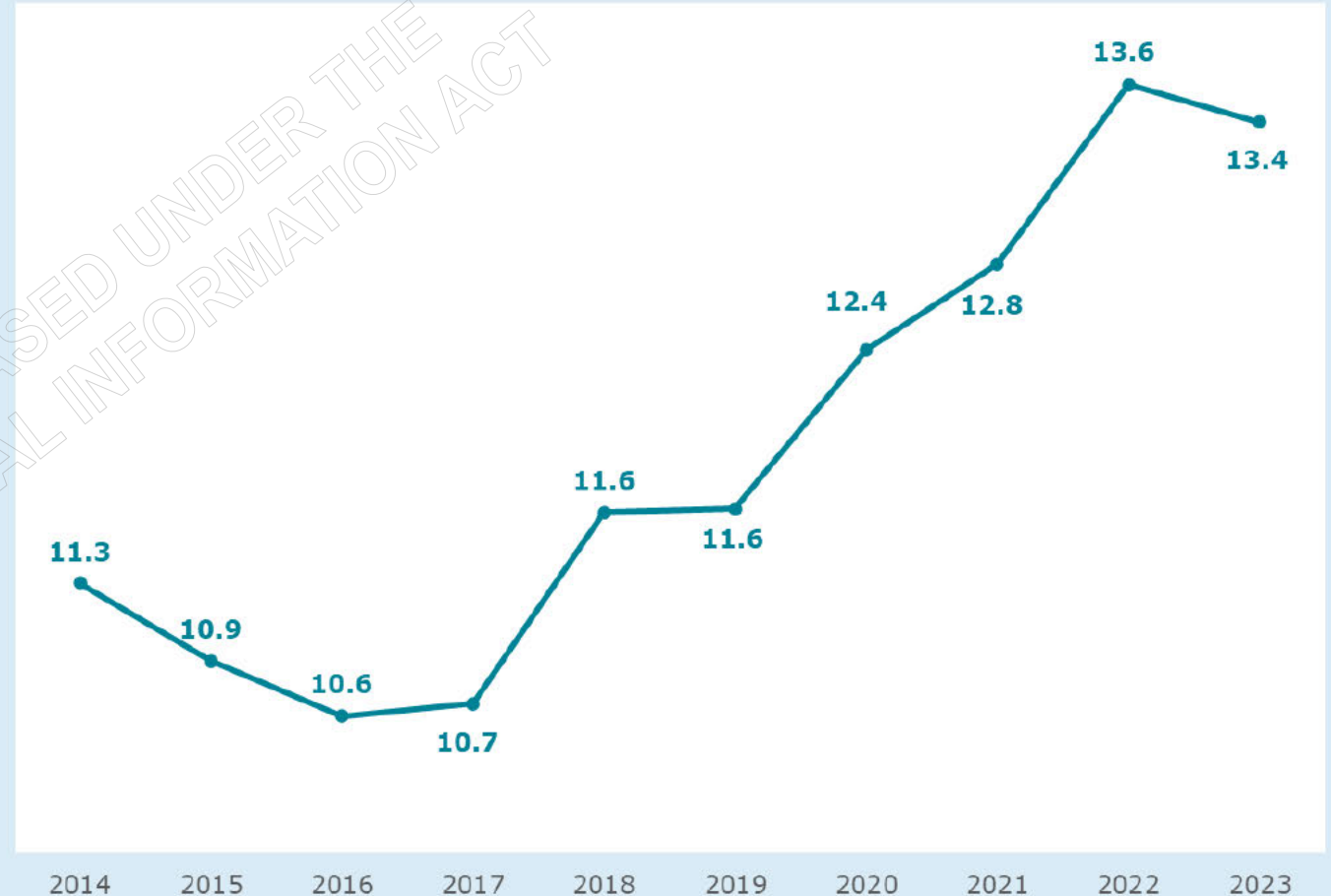
Jobseeker Support, JS - WR and JS -HCD (Month average)



The expected future years on benefit has been increasing since around 2017

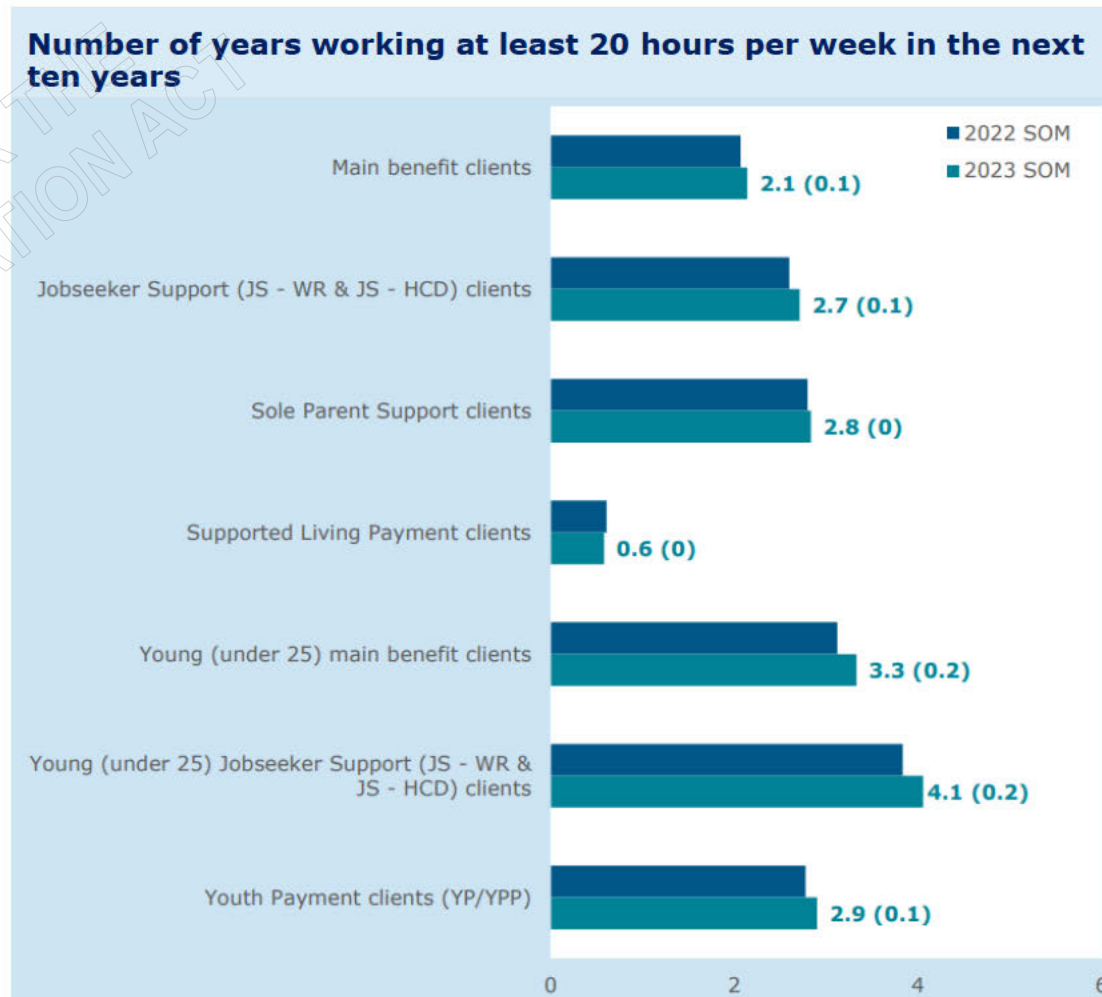
- > On average, main benefit clients are expected to spend around 13.4 years on benefit.
- > This has increased by around 2.7 years since 2017.
- > The longer a person spends on benefit, the more likely they are to need benefit support in the future.
- > For young people on a benefit, they are expected to spend:
 - > 20.4 years on benefit for youth (18 – 24) on a main benefit.
 - > 18.2 years for young (18 – 24) jobseekers.
- > People who have spent more than half of the past 5 years on benefit are 26 times more likely to need benefit support in the future.

Future years on benefit for all main benefit recipients



The average person currently on benefit is expected to spend less than half the next decade working at least 20 hours a week

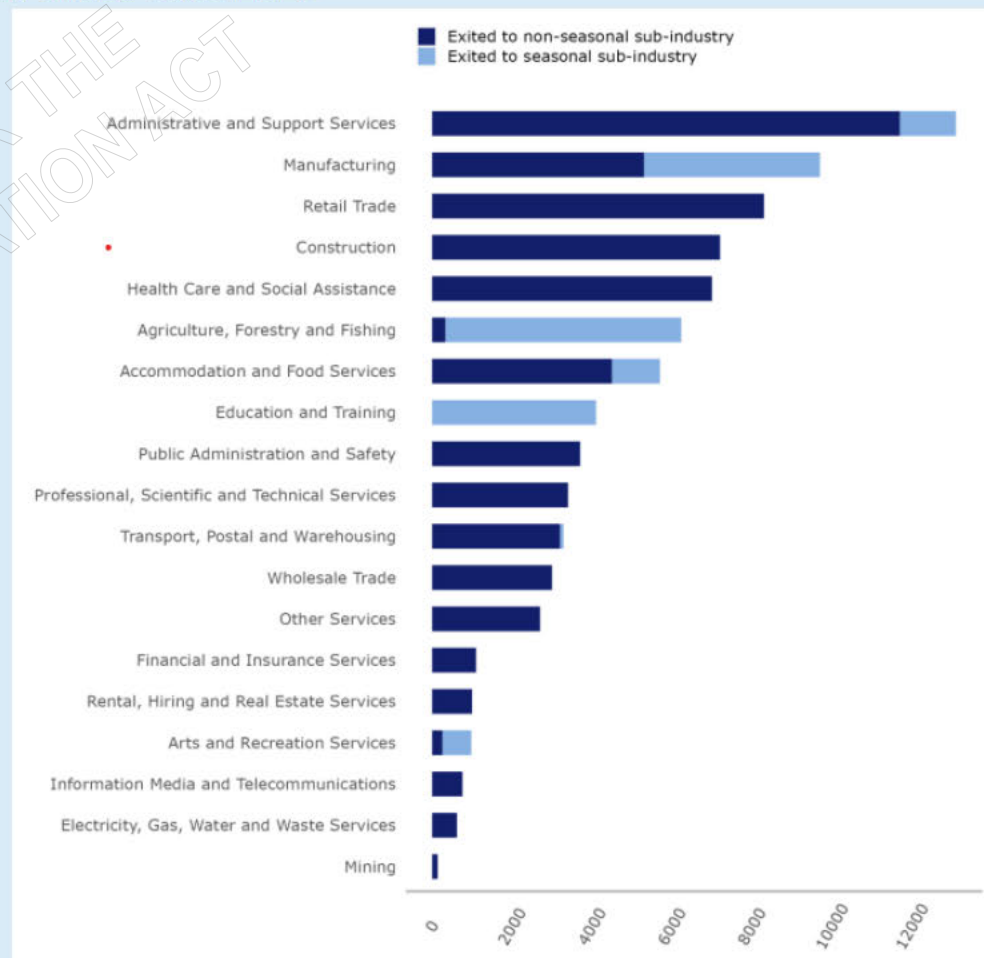
- › A young person (18 – 24) on JS this is expected to spend 4.1 out of the next 10 years working at least 20 hours per week.
- › This reduces to:
 - › 2.7 years for a person on JS across all ages.
 - › 2.1 years for people across all main benefits.
- › These levels are unchanged from the previous year.



The top three most sustainable industries make up around 12.7 percent of all exits

- › The industries with the highest employment sustainability rates were Professional, Scientific and Technical Services (64.7 percent), Mining (64.3 percent) and Health Care and Social Assistance (62.3 percent). These three industries made up 12.7 percent of all exits into employment.
- › Despite the Administrative and Support Services, and Manufacturing industries being the most common industries people were employed into once leaving the benefit system they did not have the highest employment sustainability. The employment sustainability rates of these industries were 38.5 percent, and 42.7 percent, respectively.
- › Some of the differences between industries with a high employment sustainability and industries with a low sustainability were likely due to the number of people who exit into seasonal sub-industries within different industries.
- › People with higher incomes when they began employment are more likely to stay in employment and for those who stayed in employment, their incomes grew regardless of what their starting income was.

Number of people who exited into employment by industry in the year ended June 2022



Key findings

Weak economic and labour market conditions have led to a rising number of people on Jobseeker Support over the last two years which is driven by youth and people with shorter durations on benefit.

Unemployment and JS usually move in similar directions over the long term as both respond to economic conditions.

There can also be shorter periods where the relationship between the two have diverged because they are not the same people. Around one third of unemployed people are on JS – WR.

From 2018, economic conditions started to soften and the welfare system had lower levels of activation compared to recent years due to a shift in government focus.

Resourcing pressures combined with this shift of focus meant that for a period, front line resources were prioritized toward income support rather than proactive employment focused intervention.

JS has increased by around 45,900 (27%) people over the first 25 months of this current period, compared to around 62,100 (73%) people over the same period during the GFC.

The number of people on JS is forecast to continue rising until December 2025 reaching 217,900 people, before recovering to 181,800 in June 2029.

The rate at which people exit JS into work over the last 12 months is on average 2.8%. This has remained below the 10-year average of 3.6% since mid-2023.

Over the past 10 years to June 2025, the largest growth in JS has been from people with longer durations of between 2 – 5 years on benefit. Since June 2015, this group has doubled in size, increasing by around 24,500 people and currently makes up around 21% of JS recipients. This is likely a flow-on from people who came onto benefit during past economic shocks.

Youth (18 – 24) have increased by 24,600 people and contributed 25% to the total growth in the past 10 years.

This is at similar proportions to slightly older cohorts of (25 – 35) who have increased by 26,900 people and contributed to 27% of growth over the past 10 years.

The likelihood of exiting a benefit decreases significantly after 6 months of receiving a benefit, whether a person leaves into employment or for other reasons.

People who have spent more than half of the past 5 years on benefit are 26 times more likely to need benefit support in the future.

Aide-mémoire



**MINISTRY OF SOCIAL
DEVELOPMENT**
TE MANATŪ WHAKAHIATO ORA

Meeting

Date: 13 August 2025 **Security Level:** In-confidence
For: Hon. Louise Upston, Minister for Social Development and
Employment
File Reference: REP/25/7/538

Monitoring of Government Targets and Priorities

Meeting/visit details 4:00PM – 4:30PM, 19 August 2025, EW 5.1L

Expected attendees Hon. Louise Upston, Minister for Social Development and
Employment
Hon. Tama Potaka, Minister for Māori Development

Purpose of meeting/visit To discuss:

- ministerial priorities,
- collaboration between Ministry of Social Development (MSD) and Te Puni Kokiri (TPK), and
- findings from TPK and MSD's quarterly Jobseeker Support (JS) Target reporting for quarters ending June 2025.

Background TPK produces quarterly Government Target Reporting for Māori dashboards across all government targets. MSD provides data on JS clients, who identify as Māori, to TPK every quarter to support the development of their quarterly dashboard for the JS Target.

MSD's latest JS Target dashboard was shared with you on 9 July 2025 [REP/25/7/513 refers; attached as Appendix

1]. TPK's draft dashboard relating to JS Target for the quarter ending June 2025 is attached as Appendix 2.

Key points**Sub-measures alongside the JS Target**

The four sub-measures that MSD monitors alongside the JS target are the following supporting indicators:

- Children (0-17) living in benefit-dependent households
- Young people aged 16-24 on welfare
- People receiving JS for more than 12 months
- People on Youth Payment and Young Parent Payment

Collaboration between MSD and TPK

MSD supports the development of TPK's quarterly dashboard for the JS Target by supplying data on JS clients who identify as Māori. Officials from both agencies also discuss findings from the quarterly JS Target dashboards produced by each agency.

Additionally, MSD and TPK officials have had early engagements to discuss:

- ongoing provision of data from MSD for the development of additional TPK products, and
- support for the development of TPK's Māori Development Monitoring Standards, which includes an information request to agencies for data needed to monitor TPK's outcome measures.

MSD will continue to work with TPK but will have to manage the level of support given our capacity post completing priority work.

MSD's findings from June 2025 Quarter

MSD June 2025 findings align with the findings from TPK's June 2025 dashboard.

MSD's recent monitoring notes that:

- As at the end of June 2025, European and Māori make up the highest proportion of JS recipients (48 percent and 40 percent respectively).
-

-
- The largest percentage increase compared to the March 2025 quarter was seen for Pacific Peoples (4 percent), with Māori increasing by 3 percent.
 - As at the end of June 2025, the number of Māori youth (18-24 year-olds) receiving JS is around 17,300 people. This is 36 percent of all youth receiving JS.
 - As at the end of June 2025, the number of Māori who have been receiving JS for longer than 12 months is around 50,200 people. This is around 39 percent of the total number of people who have been receiving JS for longer than 12 months.
 - In the June 2025 quarter there were around 12,300 exits from JS recipients who identify as Māori.
 - In the June 2025 quarter there were around 5,400 exits into work for JS recipients who identify as Māori.
 - In June 2025, 55 percent of sanctions were imposed on working age benefit recipients who identified as Māori, while 39 percent of people receiving working age benefits population identified as Māori.
 - The number of children in a working-age benefit household where the primary client identified as Māori, at the end of June 2025, is around 104,700. This is around 45 percent of all children in benefit dependent households.

Ethnicity data is self-identified and multiple ethnicities may be chosen by an individual as fits their preference or self-concept. This means that some people may identify with multiple ethnic groups. If a person identifies with more than one ethnic group, they are counted in each applicable group.

Unemployment Rates for Māori from the Household Labour Force Survey¹

The Household Labour Force Survey (HLFS) is a sample survey conducted by Statistics New Zealand (Statistics

¹ When looking at smaller breakdowns such as ethnicity and age, unemployment rates can have higher sampling errors due to the smaller population sizes. As a result of sampling errors, the unemployment rates for smaller population groups can be more prone to fluctuations which should be taken into consideration.

NZ). For the year ended June 2025:

- the annual average unemployment rate for Māori was 9.9 percent
- the annual average unemployment rate for Māori youth aged 15-24 was 20.4 percent.

MSD estimates of future expected outcomes

MSD estimates that:

- Māori clients on JS are estimated to spend, on average, 15.5 years on a main benefit in the future, which is 47 percent higher than for non-Māori (10.6 years).
- 74 percent of Māori clients on JS are estimated to spend less than half of the next 10 years in employment, compared to 69 percent of non-Māori receiving JS².

TPK's feedback on previous quarters' reporting on the JS Target and other MSD evidence

Based on previous quarters' findings, TPK has raised some concerns:

- TPK has noted that the Delivery Plan for the JS Target does not currently have a specific approach for Māori.
- TPK has noted that it has concerns about Māori clients being disproportionately affected by sanctions. MSD is undertaking an evaluation of the Traffic Light System (TLS) which will look at the difference TLS is making for client outcomes, including for Māori clients.

TPK has also noted that it is interested in the off-benefit outcomes for Māori clients receiving JS in relation to a separate MSD reporting suite that is produced annually. Using Statistics NZ's Integrated Data Infrastructure (IDI) MSD reports on outcomes of MSD clients who exited a main benefit over the course of a year. The published reporting includes findings on the off-benefit outcomes for Māori clients receiving a working age main benefit but

² Employment is defined as earning at least 20 hours per week at minimum wage (as at 31 March 2023 which was \$21.20).

does not further break down those outcomes by individual benefit type. This product is not part of our work programme to monitor and report on Target 5 and your other priorities. MSD will consider updating the usual measures reported as part of this product in relation to its ongoing work programme priorities.

Effective MSD programmes with a high proportion of Māori participants

MSD supports people off benefit and into employment through a continuum of services that are available to all eligible people in New Zealand. We deliver a range of effective programmes that have a large proportion of Māori participants³:

- Flexi-Wage – 36 percent (2,429) of participants are Māori.
- Mana in Mahi – 34 percent (283) of participants are Māori.
- He Poutama Rangatahi – 72 percent (2,329) of participants are Māori.
- Driver Licence Support – 45 percent (9,556) of participants are Māori.
- Youth Service for YP/YPP – 59 percent (2,095) of participants are Māori.

MSD's upcoming changes to employment case management will likely benefit Māori

MSD clients who are Māori also make up a large proportion of participants in employment related case management. As of 30 June 2025, Māori clients made up approximately:

- 39 percent (19,500) of participants in Employment Case Management
- 31 percent (2,700) of participants in Phone Based Case Management
- 60 percent (1,900) of participants in He Poutama Taitamariki and Integrated Case Management.

³ a) Participant proportions are for the period of 1 July 2024 to 30 June 2025

b) This data is operational and may change over time.

c) All the employment programmes are using the Total Response approach for measuring ethnicity, allowing participants to identify with more than one ethnic group.

MSD has upcoming case management changes that will focus on transitioning all youth on a benefit into case management or a contracted service. As noted in the findings from the quarter ending June 2025, a large proportion of youth on JS identify as Māori, and therefore the upcoming changes will likely benefit them.

MSD's frontline partners with local agencies

Most of the income, housing and employment services are delivered from within MSD service centres. However, frontline staff also work closely with local and regional community providers and organisations to promote or provide access to our services and support. Additionally, frontline staff who provide employment support often attend events run by or alongside external agencies and employers. MSD also co-locates with agencies (Iwi organisations, marae, Māori healthcare etc) in some regions to deliver case management services.

Talking Points

- Alongside the JS Target, I have established sub-measures:
 - Children (0-17) living in benefit-dependent households
 - Young people aged 16-24 on welfare
 - People receiving JS for more than 12 months
 - People on Youth Payment and Young Parent Payment

I have asked MSD to monitor these sub-measures on a monthly basis.
 - I am concerned about the high proportion of Māori in the JS population, including for Māori youth whose annual average unemployment rate was 20.4 percent in the year ending June 2025. From previous MSD evidence I also know that Māori JS clients are likely to remain on a main benefit for longer than non-Māori.
 - I want to understand the experiences of Māori clients in relation to sanctions. MSD is undertaking an evaluation of the Traffic Light System (TLS) which will look at the difference TLS is making for client outcomes, including for Māori clients.
 - MSD delivers a range of effective programmes that have a large proportion of Māori participants,
-

including Flexi-wage, Mana in Mahi and He Poutama Rangatahi.

- MSD's upcoming changes will transition all youth on a benefit into service including case management or a contracted service. A large proportion of youth on JS identify as Māori, and by focusing on youth, we will also contribute to improving outcomes for Māori.

Author: Purvai Gupta, Research and Evaluation Analyst, Strategy and Insights

Responsible manager: Paul Merwood, General Manager, Performance and Reporting, Strategy and Insights

Appendix 1: MSD Target 5 JS Quarterly Report - Q2

Appendix 2: DRAFT TPK Quarterly Dashboard on Target 5 – June 2025.

Appendix 3: Regional Ministry of Social Development Data

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Target Quarterly Report

Target 5 – Fewer people on the Jobseeker Support Benefit

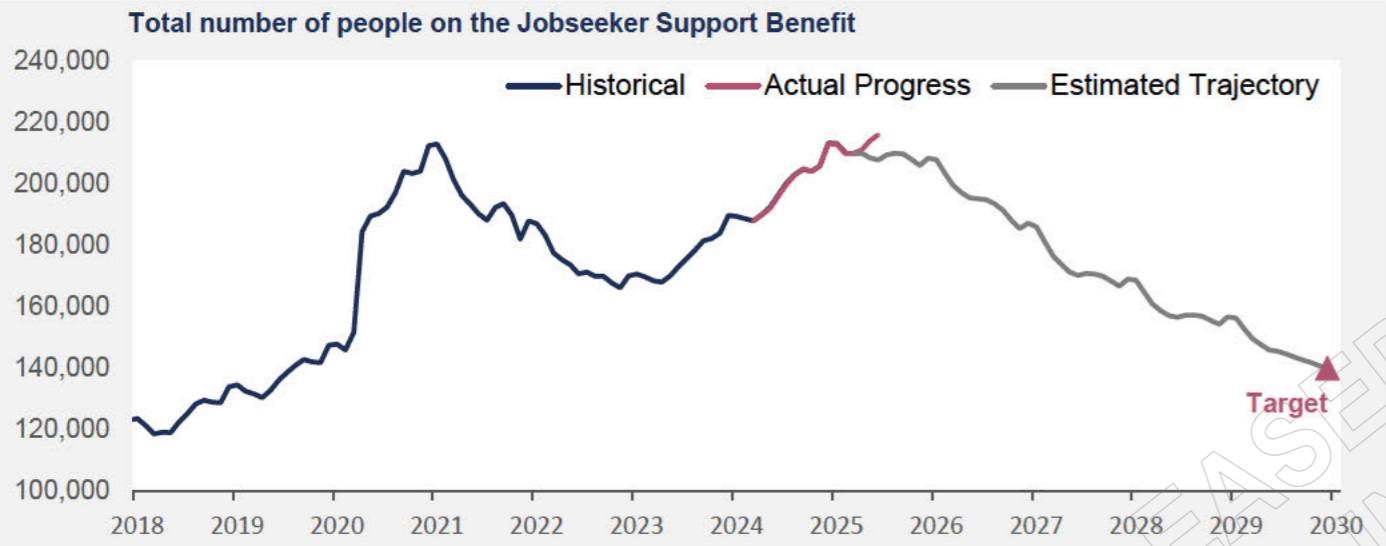
Fifty thousand fewer people on the Jobseeker Support benefit.

Quarter Ending
30 June 2025

Current Target Performance

Status	Target (Dec 2029)	Current Performance at Jun-25	Change vs Last Quarter
	50k reduction (140k people)	216,000	+6,200

Trajectory Towards Target



What are the key issues and risks?

Economic Outlook – Economic conditions drive changes in the number of benefit recipients. New Zealand has been experiencing weak economic conditions, largely due to a period of high interest rates. Falling interest rates are expected to support a pick-up in economic activity from mid-2025. Consistent with this outlook, at the Budget Economic and Fiscal Update (BEFU) 2025, Jobseeker Support (JS) is forecast to remain elevated throughout 2025, before decreasing as economic conditions improve. An improvement in economic conditions is required to help reach the JS target.

Health Outcomes – Jobseeker Support – Health Condition and Disability (JS-HCD) clients comprise 44 percent of JS recipients. At BEFU 2025, the number of people receiving JS-HCD is expected to increase over the five years to June 2029. Assisting this cohort into employment often requires working alongside health services and developing targeted support. Further system level change and integration will be required to strengthen MSD’s services for this cohort to achieve the target.

Immigration – Elevated immigration, particularly in lower-skilled roles, risks impacting MSD’s ability to place clients into the local labour market. Last year, Cabinet agreed to changes to the Accredited Employer Work Visa (AEWV) system. This was to ensure that employers genuinely consider the domestic labour market, particularly MSD clients, for increased favourability of employment. MSD and Immigration continue to work closely on the design and implementation of these changes to minimise the risk of immigration policy impacting progress towards the target.

Staffing and Income Support Pressures – MSD’s frontline staff provide employment support and administer benefits. There is a risk that increased income support demand will divert staff from impactful employment interventions such as case management. Through Budget 2025, decisions were made to continue funding for 490 time-limited frontline staff to deliver employment-focused services.

Actions and Insights

What is driving changes in performance vs. last quarter?

- Current weak economic conditions are driving the increase in JS recipients.
- Over the last quarter, there has been an increase in JS (both Jobseeker Support – Work Ready (JS-WR) and JS-HCD). However, growth in JS was lower than the same quarter last year, at 4.5 percent in Q2 of 2024, and 2.9 percent in Q2 of 2025.
- MSD has been focused on increased activation with Jobseekers to increase JS exits. Despite the economic challenges driving the volume of new grants, the number of people who exited JS into employment has increased by 1,800 compared to the same quarter last year (17,300 vs. 15,500).
- To support increased activation and more proactive work-related engagements with clients, the capacity in Case Management has been maintained at the increased 70,000.
- Resetting expectations and obligations of people on JS has resulted in 13,000 sanctions this quarter, this is around 2,900 sanctions higher than the same period in 2024.

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

Welfare that Works – Community Coaches – Post Budget announcements, MSD has been working on Phase 2 of Community Job Coaches to ensure that MSD can deliver a new Community Job Coaching service by the end of 2025. In the last quarter, work on the design of the service has been underway.

More support for JS-HCD clients – The Nelson region has assigned targeted caseloads for dedicated Employment Case Management, with a focus on JS-HCD clients.

Improved Accredited Employer Work Visa (AEWV) engagement – MSD implemented the operational changes to support the new AEWV Declaration in March 2025. MSD is finalising work with Immigration NZ on the detailed design and data sharing arrangements for the post-decision checks to support this implementation. The result of this change is to ensure employers are genuinely engaging with the domestic labour market. By the end of next quarter, MSD and Immigration NZ will begin to gather early insights on how post-decision checks are progressing.

Employment Investment Strategy 2025-2028 – The strategy has been agreed by the Minister for Social Development and Employment. Implementation and operationalisation of this strategy will begin from July 2025.

Individual Employment Plans – MSD have implemented Individual Employment Plans and the roll out continues and is planned to be extended to all 70,000 clients in Employment Case Management in 2025.

Welfare system changes – The Social Security Amendment Bill, which seeks to reduce jobseeker numbers and increase exits into employment, passed into law on 26 May 2025. The Traffic Light System Phase 2 changes (including non-financial sanctions of Money Management and Community Work Experience) came into effect on 26 May. The more frequent reapplications (26-week re-applications) for Jobseeker Support came into effect on 1 July.

Accelerating change in the welfare system – As agreed placing under 25’s with part-time or full-time work obligations into case management or a contracted service is underway, ^{s9(2)(f)(iv)}

What decisions and actions are required from Ministers?

The Minister will be receiving advice on tightening JS eligibility for 18- and 19-year-olds and ^{s9(2)(f)(iv)}

Updating the Target Trajectory

The target trajectory was updated for the March 2025 Quarterly Report to DPMC. The trajectory was revised to reflect the HYEPU 24 forecast, recent trends, economic conditions, and MSD’s current delivery plan. The revised target trajectory was agreed to last quarter.

Target 5 – Supporting Indicators

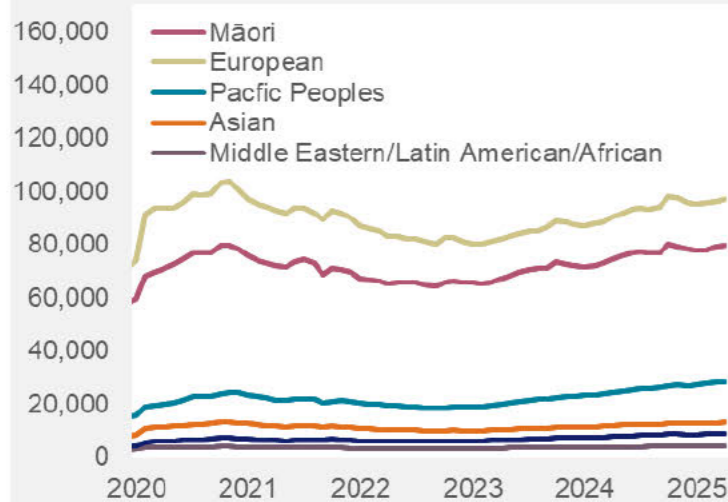
Economic activity, as measured by GDP, increased by 0.8% in the March 2025 quarter, however, on an annual average basis economic activity remains weak. As a result, around 1,800 more people were granted a JS benefit compared to the same June quarter last year (41,100 vs. 39,300). Despite the economic challenges driving new grants, the number of people who exited JS into employment increased by 1,800 compared to the same June quarter last year (17,300 vs. 15,500). Youth (18-24) and Auckland South are driving the growth in their respective demographic types.

**Quarter Ending
30 June 2025**

Target Breakdown

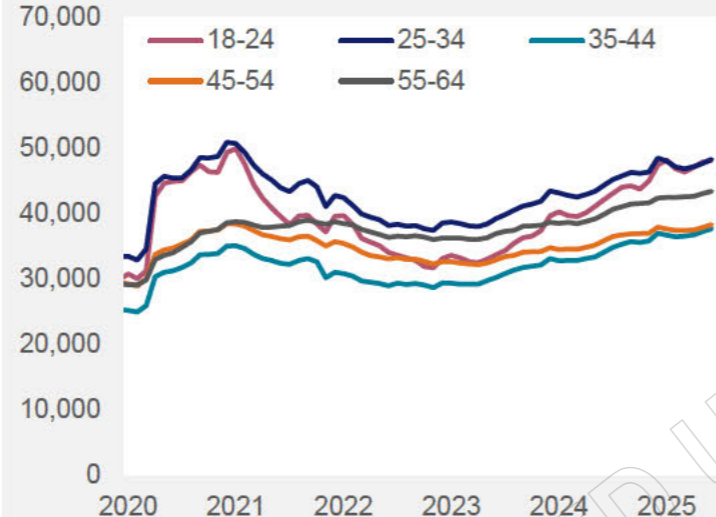
Demographic Breakdown

Jobseeker Support - Ethnicity (Total Response)



As at the end of Jun 2025, European and Māori make up the highest proportion of JS recipients (48% and 40% respectively). The largest percentage increases were seen for Pacific Peoples (4%) and Māori (3%).

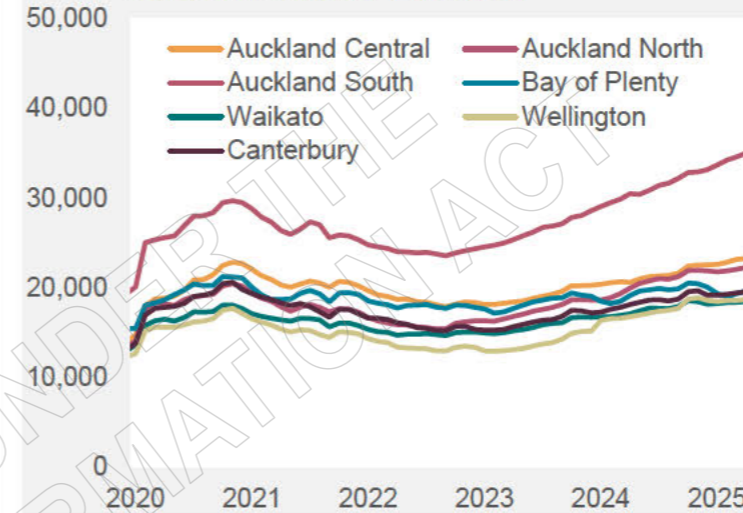
Jobseeker Support - By Age



Youth (18-24) have seen larger increases than other age bands in the past year. In the last quarter, the 18-24 age group increased by 4%.

Geographic Breakdown

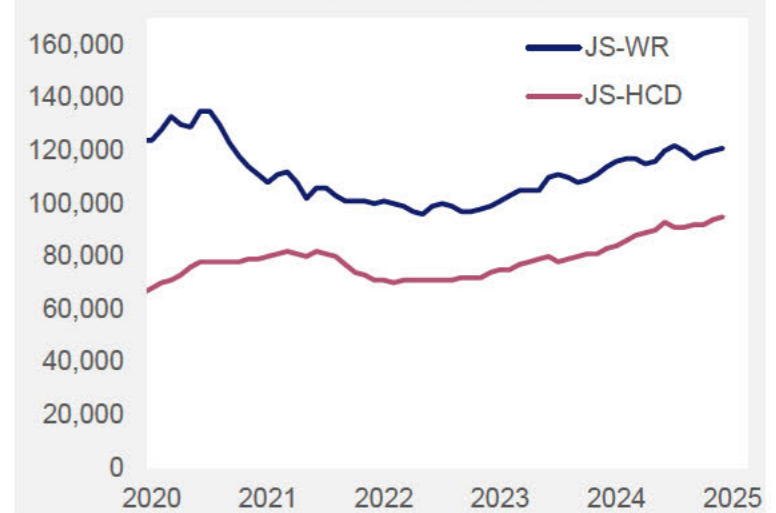
Jobseeker Support - By Region



As at the end of Jun 2025, Auckland South had the highest proportion of JS clients (16%) and increased by 4% over the last quarter.

Jobseeker Support – Breakdown

Jobseeker Support - Breakdown

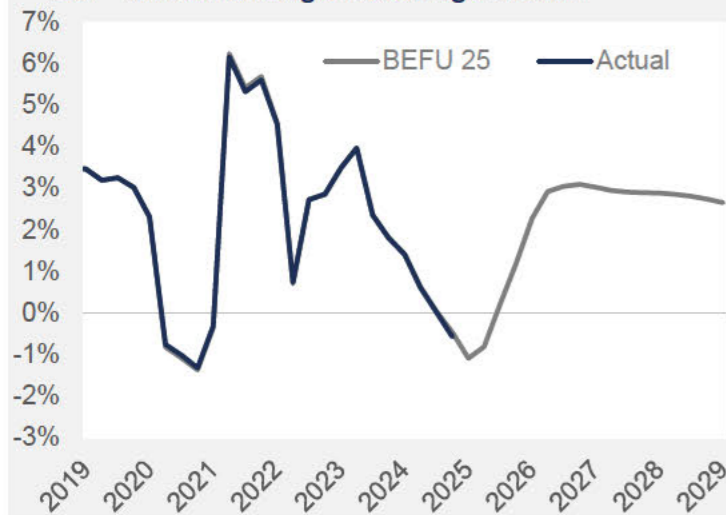


As at the end of Jun 2025, around 56% of people receiving JS were receiving JS-WR, and around 44% were receiving JS-HCD. This is consistent with the previous quarter.

Leading Indicator

Leading Indicator – GDP growth

GDP - Annual Average Percentage Growth



Treasury's GDP forecast is a direct input into the JS-WR 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 June quarter for Jobseeker Support



In Apr – Jun 2025 there were around 41,100 JS grants. This is around 1,800 more than in the same period in 2024.

System Indicator 2 - Exits

Number of Exits in each June quarter for Jobseeker Support

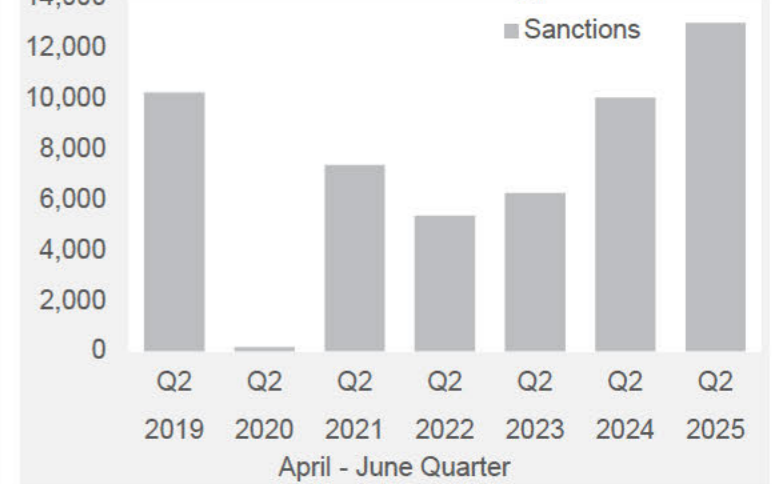


In Apr – Jun 2025 around 35,400 people left JS. Of these, around 17,300 left JS to enter work*. This is an increase of 1,800 work exits compared to the same period in 2024.

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

System Indicator 3 - Sanctions

Number of Sanctions Applied in Each June Quarter for Jobseeker Support



In Apr - June 2025 there were around 13,000 sanctions applied to JS recipients. This is around 2,900 more sanctions than in the same period in 2024.

Target 5: Fewer People on the Jobseeker Support Benefit

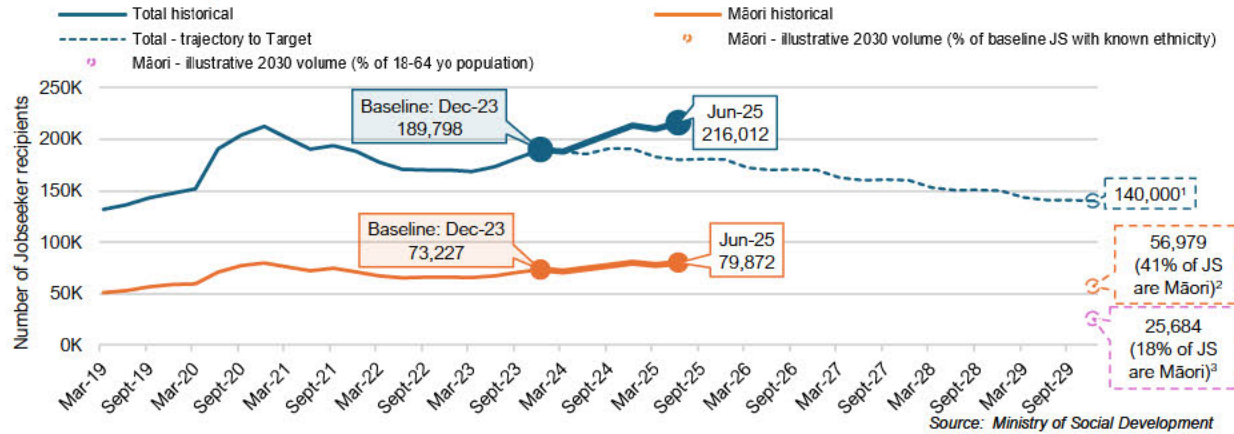
Quarterly report, June 2025

Te Puni Kōkiri has used exact figures in the production of this dashboard as verified by the lead agency. Data received July 2025.

- The number of Māori Jobseeker beneficiaries is rising and Māori continue to be overrepresented on the Jobseeker benefit.
- Sanctions for Māori remain disproportionately high compared to their representation on the Jobseeker benefit.
- The number of rangatahi Māori on the Jobseeker benefit is also rising. The Māori Development Fund is supporting regionally-led initiatives that connect rangatahi to the labour market.

Primary indicator

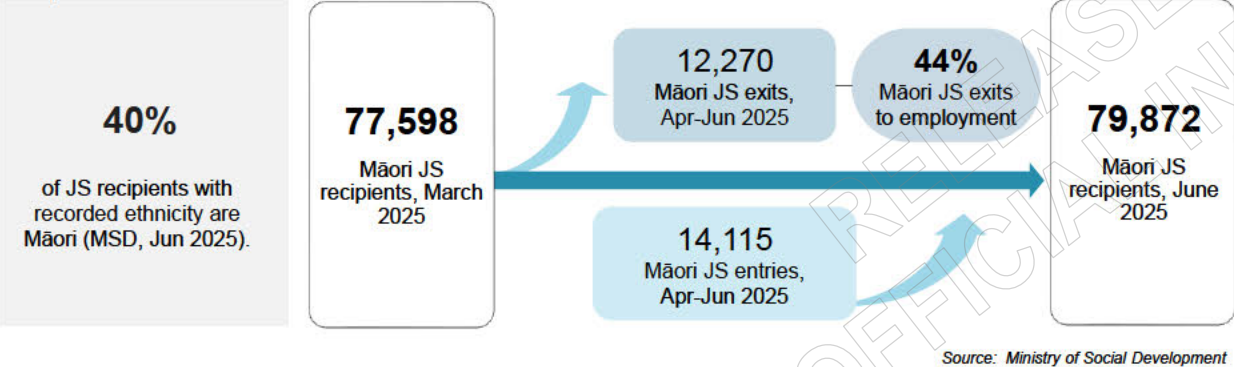
Figure 1: The number of Jobseeker recipients has stabilised over the last quarter for both Māori and Total recipients but still remains higher than baseline.



¹ Target of 50,000 fewer people on JS compared to December 2023. Please note that total JS figures and the target trajectory relate to all JS, including those with an unspecified ethnicity. Comparing Māori JS with total figures should thus be avoided.
² Illustrative representation that would see Māori in December 2030 as in December 2023 (41% of JS recipients with a known ethnicity). This would mean that Māori represent 33% of the Target reduction of ~50k people in order to make up the same share of JS
³ Illustrative representation that would see the percentage of Māori JS reflecting the percentage of Māori in the projected working-age population in June 2030 (18.3% of 18-64 year-olds, Census 2018 base).

Leading indicators

Figure 2: The number of Māori Jobseeker recipients has grown this quarter, now 4300 additional Māori Jobseekers compared to December 2023 baseline



Supporting indicators

There are a high proportion of sanctions imposed on Māori Jobseekers.

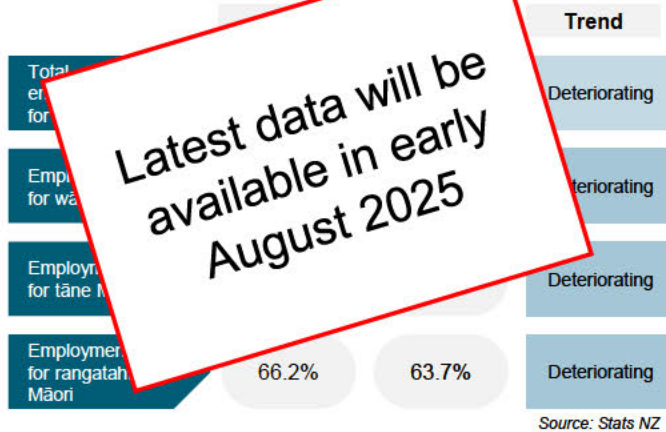
55%
Of JS Support sanctions where the client had an identified ethnicity were imposed on Māori in June 2025.

Rangatahi Māori make up about a quarter of all Māori Jobseekers.

17,325
Rangatahi Māori (18-24 years old) were JS recipients in June 2025. This represents 22% of all Māori JS recipients (MSD, June 2025).

System indicators

Some employment indicators in the Household Labour Force Survey⁴ (HLFS) show decreasing trends for Māori.



Customised data from the Household Labour Force Survey (HLFS), March 2025.
Note: Next HLFS release on August 2025.

Current economic conditions continue to impact employment opportunities.

Labour market statistics for the June 2025 quarter are still to be released, however Infometrics's unemployment forecast estimates unemployment is still to peak this year, and Treasury expects New Zealand unemployment to rise to 5.4% in the June quarter before declining to 5.0% by June 2026.

Māori Development Fund community resilience priority is being used to support rangatahi towards employment

The Māori Development Fund's Community Resilience priority supported a range of initiatives in 2024/25, with a strong focus on outcomes for rangatahi Māori. Focus areas B (regionally led initiatives) and C (whānau-centred service delivery) formed part of this priority and accounted for most of the investment activity.

Through Focus Area B (regionally led initiatives), 609 rangatahi Māori were supported to obtain essential documents such as driver's licences, IRD numbers, and bank accounts – important prerequisites for employment. Within this, 357 rangatahi were supported to gain a driver's licence, recognising that over 70% of jobs and up to 85% of entry-level roles require one¹.

Focus Area C (whānau-centred service delivery) supported a further 669 rangatahi to strengthen their wellbeing, resilience, and leadership capabilities - building the confidence and life skills needed to navigate challenges, pursue opportunities, and move confidently toward training and employment.

In total, 1,278 rangatahi Māori were supported through 25 targeted initiatives across these two focus areas. These outcomes demonstrate the significant contribution of the Community Resilience priority to building a skilled, confident, and future-ready Māori workforce.

Example of an MDF initiative working to connect rangatahi to training and work

The Te Ara Hōkai programme is an initiative responding to local community needs in the Takitimu rohe. JMP Consulting works with the most disadvantaged and often vulnerable cohort in their communities, finding those in need through their community connections. All participants left the programme with a minimum of their NZQA record of achievement, IRD number, photo identification, and an application into training or documents for job search. Thirty-two rangatahi were supported to obtain driver's (and related, e.g., forklift) licences.

¹ Get your driver licence – School Leavers' Toolkit

Recommendations

Note the use of the Māori Development Fund community resilience priority for supporting rangatahi to obtain essential documents that can connect them to the workforce.

Note the number of Māori on the Jobseeker target is rising and the contribution of labour market forces as a factor.

Note that Te Puni Kōkiri continue to advocate for deliberate inclusion of Māori in the MSD delivery plan for the Jobseeker target.

Note that Te Puni Kōkiri is exploring rangatahi Māori employment trends through our Beyond the Targets work programme. You will receive this in October 2025.

Appendix 3: Regional Ministry of Social Development Data

Benefit Numbers and Exits for the June 2025 Quarter

The proportion of clients who identify as Māori in Table 1, Table 2 and Table 3 below are calculated using the total number of clients with identified ethnicities.

Table 1: Number of Jobseeker Support (JS) and working-age main benefit recipients who identify as Māori by Ministry of Social Development (MSD) region as at June 2025

Region	Māori JS recipients	Proportion of JS recipients who are Māori	Māori Working-age main benefit recipients	Proportion of working age main benefit recipients who are Māori
Auckland Metro	23,493	32%	39,207	32%
Bay of Plenty	11,391	61%	21,324	60%
Canterbury	4,440	25%	8,745	23%
Central	3,966	42%	7,773	40%
East Coast	6,195	66%	13,275	63%
Nelson	1,611	25%	2,928	23%
Northland	7,698	64%	13,542	64%
Southern	2,481	25%	4,905	22%
Taranaki	4,386	50%	9,255	45%
Waikato	8,424	49%	16,077	49%
Wellington	5,715	33%	10,062	33%
Unknown	63	45%	1,446	38%
Total	79,869	40%	148,539	39%

Table 2: Number of cancellations from JS and a working-age main benefit who identify as Māori by MSD region over the June 2025 quarter

Region	Māori Cancellations from JS	Proportion of Māori cancellations from JS	Māori cancellations from a working-age main benefit	Proportion of Māori cancellations from a working-age main benefit
Auckland Metro	1,155	66%	1,506	67%
Bay of Plenty	2,820	26%	3,516	27%
Canterbury	1,350	48%	1,698	49%

Central	756	48%	978	48%
East Coast	2,109	61%	2,700	62%
Nelson	1,188	64%	1,611	65%
Northland	609	45%	795	44%
Southern	735	28%	915	29%
Taranaki	288	28%	366	28%
Waikato	744	23%	912	23%
Wellington	489	26%	627	26%
Unknown	27	38%	1,338	27%
Total	12,270	38%	16,965	37%

Table 3: Number of work cancellations from JS and a Working-age main benefit who identify as Māori by MSD region over the June 2025 quarter

Region	Māori cancellations into work from JS	Proportion of Māori cancellations from JS into work	Māori cancellations into work from a working-age main benefit	Proportion of Māori cancellations from a working-age main benefit into work
Auckland Metro	504	62%	591	63%
Bay of Plenty	1,137	22%	1,266	22%
Canterbury	585	42%	672	43%
Central	309	43%	372	45%
East Coast	1,008	59%	1,215	60%
Nelson	519	61%	621	62%
Northland	261	38%	312	39%
Southern	312	25%	351	25%
Taranaki	129	27%	147	27%
Waikato	330	20%	360	20%
Wellington	252	26%	285	26%
Unknown	6	22%	48	40%
Total	5,352	34%	6,243	35%

Employment Case Management Data

Table 4: Number of current Māori working age Jobseeker Support clients in employment case management as at end of June 2025

Region	Employment Case Management Māori Participants	Phone Based Case Management Māori Participants	Other Māori Participants	Total Māori Participants
Auckland Metro	4,350	918	225	5,496
Bay of Plenty	3,363	597	135	4,092
Canterbury	1,089	225	36	1,350
Central	1,296	0	66	1,362
East Coast	1,377	240	42	1,656
Nelson	297	42	30	369
Northland	1,740	0	1,248	2,985
Southern	570	81	21	672
Taranaki	1,413	0	66	1,476
Waikato	2,631	426	48	3,108
Wellington	1,347	165	9	1,524
Unknown	3	3	3	9
Total	19,473	2,700	1,932	24,105

Employment Programmes Data

- This data is operational and may change over time.
- All the employment programmes are using the Total Response approach for measuring ethnicity, allowing participants to identify with more than one ethnic group.
- Regional data is based on the information provided to MSD by participants.

Table 5: Flexi-Wage participants of Māori ethnicity broken down by MSD region for the period 1 July 2024 to 30 June 2025

- 36 percent (2,429) of participants were of Māori ethnicity.

Region	Māori Participants
Auckland	553
Bay of Plenty	220
Canterbury	94
Central	230
East Coast	386
Nelson	49

Northland	115
Southern	80
Taranaki	263
Waikato	267
Wellington	170
Unknown	2
Total	2,429

Table 6: Mana in Mahi participants of Māori ethnicity broken down by MSD region for the period 1 July 2024 to 30 June 2025

- 34 percent (283) of participants were of Māori ethnicity.

Region	Māori Participants
Auckland	51
Bay of Plenty	30
Canterbury	15
Central	26
East Coast	27
Nelson	17
Northland	23
Southern	10
Taranaki	22
Waikato	51
Wellington	10
Unknown	1
Total	283

Table 7 : He Poutama Rangatahi participants of Māori ethnicity broken down by MSD region for the period 1 July 2024 to 30 June 2025

- 72 percent (2,329) of participants were of Māori ethnicity.

Region	Māori Participants
Auckland	533
Bay of Plenty	514
Canterbury	88
Central	42
East Coast	457
Nelson	40

Northland	194
Southern	55
Taranaki	74
Waikato	158
Wellington	174
Total	2,329

Table 8: Driver Licence Support participants of Māori ethnicity broken down by MSD region for the period 1 July 2024 to 30 June 2025

- 45 percent (9,556) of participants were of Māori ethnicity.

Region	Māori Participants
Auckland	2,302
Bay of Plenty	1,321
Canterbury	424
Central	395
East Coast	1,576
Nelson	249
Northland	1,209
Southern	293
Taranaki	700
Waikato	759
Wellington	328
Total	9,556

Table 9: Youth Service for YP/YPP participants of Māori ethnicity broken down by MSD regions for 30 June 2025.

- 59 percent (2,095) of participants were of Māori ethnicity.

Region	Māori Youth Service participants on Youth Payment	Māori Youth Service participants on Young Parent Payment	Māori participants in Youth Service for YP/YPP
Auckland	232	227	459
Bay of Plenty	129	153	282
Canterbury	87	51	138
Central	92	78	170
East Coast	104	104	208

Nelson	34	22	56
Northland	103	85	188
Southern	56	27	83
Taranaki	70	65	135
Waikato	130	118	248
Wellington	75	53	128
Total	1,112	983	2,095

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OFFICIAL INFORMATION ACT

Report



**MINISTRY OF SOCIAL
DEVELOPMENT**
TE MANATŪ WHAKAHIATO ORA

Date: 13 August 2025

Security Level: IN CONFIDENCE

To: Hon Louise Upston, Minister for Social Development and
Employment

File Reference: REP/25/8/610

Monthly Traffic Light System Reporting Summary

Purpose of the report

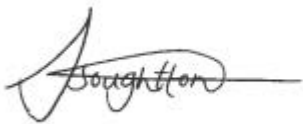
- 1 The monthly Traffic Light System (TLS) report provides you with a summary of the clients in the TLS and a detailed view of obligations and sanctions for May 2025.
- 2 The items covered in the attached dashboard are:
 - a) total clients in the TLS by status; green, orange and red
 - b) progress update on the total number of clients in the TLS
 - c) total obligation failures and sanctions
 - d) benefit exits due to sanctions
 - e) key priority groups and demographics
 - f) breakdown of obligation failures and sanctions by grade, benefit duration and failure count
 - g) breakdown of clients by non-financial sanction (NFS) eligibility.

Recommended actions

It is recommended that you:

- 1 **Note** the contents of this summary report and the supporting dashboard.
- 2 **Agree** to move to quarterly reporting; the first quarterly dashboard will be provided in January 2026 which will cover the last quarter of 2025 (October to December). Monthly reporting will continue until then.

agree / disagree



12/08/2025

Shannon Soughtton
Group General Manager Income, Service
Delivery

Date

Hon Louise Upston
Minister for Social Development and
Employment

Date

Background

- 3 Phase one of the TLS was introduced 12 August 2024 to help clients stay on track with their work and/or social obligations. The traffic light colours are assigned to clients based on their current level of compliance and are overlaid on top of the existing obligations and sanction regime. The TLS is part of the Government's reducing benefit dependency target to reach 50,000 fewer clients receiving Jobseeker Support by 2030.
- 4 Phase two of the TLS was implemented 26 May 2025. The changes included introducing two non-financial sanctions (NFS) – Money Management (MM) and Community Work Experience (CWE) and youth and young parent payment clients being included in the traffic light colours.
- 5 Since August 2024, monthly reporting has been produced to track the number of clients at each light and identify trends overtime.
- 6 Attached is the TLS monthly report for May 2025. The notes in the appendix one should be read in conjunction with the attached dashboard.

Further changes to the dashboard

- 7 The dashboard will continue to evolve, future changes to the dashboard include:
 - a) The inclusion of additional key statistics regarding phase two changes for NFS. These will be included in the June 2025 dashboard, provided mid-August.
 - b) The phase three changes, statistics for the two new additional non-financial sanctions introduced from 20 October 2025, Upskilling and Reporting Job Search. These will be included in the October – December 2025 quarterly dashboard provided in in January 2026.
- 8 Any updates to the dashboard will be outlined in the accompanying cover report.
- 9 Currently the Ministry produces official quarterly reporting on the TLS separate to the monthly dashboard provided to your office. It is proposed that going forward the dashboard be provided quarterly to align with other employment related reporting the Ministry provides. The first quarterly report would be provided in January 2026 for the October to December 2025 quarter. Monthly reporting will continue until this time with the last monthly report being provided in October; this will cover September's data.

TLS reporting overview

- 10 There are several forms of reporting on the TLS that provide different sources of information and serve different purposes.
- 11 The monthly dashboard is one of a range of products that report on the TLS. Other TLS reporting products include MSD's publicly released Benefit Fact Sheets, Government Targets Quarterly Reports, and findings from monitoring and evaluation of the TLS.
- 12 Products used to report on the TLS differ in the type of data they present, the population they focus on, and the frequency they are released. A summary of differences is provided below.

Product	What it includes	Benefit focus	Timing	Purpose
TLS monthly dashboard	<ul style="list-style-type: none"> Client TLS status at a point in time (the end of each month) by a broad range of characteristics, including NFS eligibility. Total count of obligation failures and sanctions, and benefit exits due to sanctions across each month. 	<p>Clients with work-related, and/or social obligations or youth obligations.</p> <p>This includes - Jobseeker Support (JS), Sole Parent Support (SPS), Supported Living Payment (SLP), Emergency Benefit (EB), Emergency maintenance Allowance (EMA), Jobseeker-student hardship (JSSH), Youth Payment (YP), Young Parent Payment (YPP), no benefit¹</p>	Monthly (proposed to be changed to quarterly)	To provide comprehensive and regular updates about clients in the TLS since implementation
Benefit Fact Sheets	<ul style="list-style-type: none"> Client TLS status at a point in time (the end of each quarter) by benefit and dependent children. Total count of obligation failures and 	JS and SPS	Quarterly	To provide a high-level view of trends in benefit receipt that is publicly available

¹ No benefit clients are those who have been cancelled due to a Grade 3 or 4 or equivalent sanction within the last 13 weeks.

	sanctions across each quarter over the last five years.			
Quarterly Reports on Target 5	<ul style="list-style-type: none"> Total count of sanctions across each quarter. 	JS	Quarterly	To provide information on progress towards Target 5 – Fewer people on the Jobseeker Support benefit
TLS monitoring	<ul style="list-style-type: none"> Total count and proportion of client outcomes (e.g. obligation failures, sanctions, re-compliance, exits) across each month since the beginning of 2022. 	JS – Work Ready (JS – WR)	One-off	To inform an evaluation of the TLS (further information below)

- 13 Monitoring and evaluation of the TLS is currently underway using a phased approach [REP/25/3/162 refers]. This includes short-term, medium-term, and long-term activities to identify the unique contribution of the TLS to changes in client outcomes, and how the TLS is being delivered.
- 14 Findings from early monitoring were shared with your office in June [REP/25/5/411 refers]. Please note that numbers for two outcome areas – obligation failures and proactive appointment attendance – reported on in the TLS monitoring findings relate to a larger population than intended. These numbers have since been corrected to ensure that they reflect the intended JS – WR client population. The narrative relating to these outcomes remains the same, including that:
- the proportion of JS – WR clients with an obligation failure has remained unchanged since the TLS was introduced
 - the proportion of JS – WR clients consistently attending proactive appointments has increased since the TLS was introduced
 - there is variation in obligation failures and appointment attendance across different JS – WR client characteristics.
- 15 We have revised our quality assurance process to make sure this does not happen again and have provided your office with more information.
- 16 Findings from medium-term evaluation activities will be shared with your office in December. This will include information about:

- a) delivery of the TLS through an online survey of clients and focus groups with case managers
 - b) the contribution of the TLS to client outcomes through analysis of MSD data.
- 17 Long-term findings are expected in 2026 and will examine the impact of the TLS on a broader range of outcomes using the Integrated Data Infrastructure.
- 18 Collectively, findings from monitoring and evaluation will help to identify the difference that the TLS is making for clients and whether any changes could be made to improve delivery.

Key statistics for May 2025

- 19 Below are the key statistics as at the end of May 2025:
- 346,663 clients had a traffic light colour assigned (because they had work and/or social obligations). This is an increase of 5,755 or 1.7% from the 340,908 as at the end of April. This increase is mostly due to youth and young parent clients joining the TLS from 26 May 2025.
 - The number of clients at orange or red reduced by 1,148 (19%) to 4,927.
 - The number of clients in the target cohort eligible for a NFS was 175,200, or 50.5% of all clients in the TLS. Also, 19,651 clients in the target cohort or 5.7% of all clients were not eligible for NFS; this is because they have already had one or more obligation failures.

Clients in the TLS

- 20 This table shows an end of month snapshot² of the number of clients and their traffic light colour over the past five months:

Month	Green	Orange	Red	Total Clients
Jan	344,746 (98.2%)	2,166 (0.6%)	4,268 (1.2%)	351,180
Feb	337,123 (98.1%)	2,018 (0.6%)	4,374 (1.3%)	343,515
March	334,304 (98.1%)	2,232 (0.7%)	4,038 (1.2%)	340,575
April	334,833 (98.2%)	2,106 (0.6%)	3,969 (1.2%)	340,908
May	341,736 (98.6%)	1,603 (0.45%)	3,324 (0.95%)	346,663

- 21 The overall total number of clients in orange and red has declined by 1,507 clients from 6,434 in January to 4,927 in May.

² 'End of month snapshot' is as at end of the current benefit month (the last Friday of the month).

- 22 As at the last Friday of the month, the percentage of clients in orange and red (of all clients in the TLS) declined by 0.4% from 1.8% in January to 1.4% in May. However, the total number of obligation failures and sanctions for the whole month of May has increased when compared with the whole month of January.

Non-financial sanctions

- 23 From 26 May, two new NFS – MM and CWE were introduced as part of phase two of the TLS.

s9(2)(a)

Client engagement and meeting obligations

- 27 You have asked for information on how the Ministry engages with our clients and how we know that they are meeting their obligations.
- 28 There are approximately 70,000 clients currently in employment case management. Most clients in this service have work obligations and are provided with regular proactive appointments with their case manager. These appointments provide coaching, set individual employment plans; as well as practical help such as getting clients an up-to-date CV, through to passing a driver licence.
- 29 These regular proactive interactions provide the opportunity to discuss work obligations with clients and ensure they are taking steps to meet them. Outside of employment case management, clients with work obligations can be reminded of their work obligations through our proactive interactions such as Kōrero Mahi Seminars, 26-week reapplications or being referred to the work brokerage service.

Next steps

- 30 We will provide you with the next report as soon as possible. This report will include more in-depth data on the phase two changes.

Appendix one - explanatory notes for the TLS dashboard

The following notes must be read alongside the TLS dashboard and are listed in relevant order of the graphs displayed.

- 1 **Total clients in the TLS** are those with work obligations, social obligations (or both) and youth obligations. This is the total clients at 'Green', 'Orange' and 'Red'. The number will vary from other reporting as it includes partners, current and suspended clients and those with a sanction who were cancelled in the last 13 weeks. This is necessary to show when clients are in 'Red'. Other reporting, like the Benefit Fact Sheet (BFS) only reports on current clients.
- 2 **Youth client data is included in the overall numbers of TLS clients**, further updates will be made to highlight youth client data individually. Also note that Youth priority and cohort groups incorporates clients with any youth obligations e.g. Youth payment clients, 16–17-year-olds without children, Young Parent Payment clients (16–19-year-olds with children) and also young partners of main beneficiaries.
- 3 Data contained in this report has not been randomly rounded, and may vary slightly from counts in other reporting. The percentages displayed for the traffic light colours total 100.1%. This will be adjusted for all future reporting.
- 4 The **total number of obligation failures** initiated in the current calendar month (e.g. from 1 January to 31 January 2025, or 1 March to 31 March) includes clients who have failed to meet their obligations multiple times and failures that have been removed (e.g. due to staff error) or overturned.
- 5 The **total number of sanctions imposed** initiated in the current calendar month (e.g. from 1 January to 31 January 2025, or 1 March to 31 March) includes clients who have been sanctioned multiple times and sanctions that have been removed or overturned.
- 6 **Benefit exits due to sanctions** are measured as clients who have been cancelled due to a grade 3 (failed an obligation for a third time in the last 12 months) or grade 4 (job refusal) sanction and not returned to benefit. Clients who have been cancelled for failing to re-comply following a grade 1 or grade 2 sanction will be added in future reporting. Reporting is as at end of the current benefit month (last Friday of the month).
- 7 The **TLS progress chart** tracks the total clients in 'Green', 'Orange' and 'Red' at the end of every full month from November 2024.
- 8 **Priority groups** are a breakdown of the demographics and their Traffic Light status – it is a closer look at the demographic snapshots at the end of the current benefit month (last Friday of the month) being reported on. In 'active' case management includes those in the following case management services; dedicated, employment, integrated and phone-based.

- 9 **Benefit types** included in the TLS are those that have obligations by default and those where obligations can be added, e.g. Sole Parent Support with social obligations, Jobseeker clients with work obligations. By default, Jobseeker clients have work obligations whereas Emergency Benefit clients can have them added depending on their situation. Youth Payment (YP) and Young Parent Payment (YPP) are included in the total clients in TLS from May as well as the individual demographic statistics. New Zealand Superannuation and Veteran's Pension are also excluded as they do not have work or social obligations.
- 10 **Ethnicity** is self-identified; clients can declare multiple ethnicities. The total responses can be greater than the number of clients. 'MELAA' includes Middle Eastern, Latin American and African. 'Other' includes all other ethnicities. 'Unspecified' is where ethnicity is not recorded.
- 11 Clients in '**other case management**' include those in the following case management services; integrated case management, he poutama taitamariki, housing integrated services case management, paiheretia and supporting offenders into employment.
- 12 Clients who have **children included in their benefit** or receive a benefit and have children included in an Orphan's Benefit/Unsupported Child's Benefit (OB/UCB) have social obligations. These can include activities such as having the child enrolled in school and with a GP.
- 13 **Obligation failure by grade** is a breakdown of the obligation failure by a client in the calendar month. The grade is determined by the number of times they have previously failed and is used to determine their level of sanction if they don't re-comply before the sanction takes effect.
- 14 **Sanctions by grade** is a breakdown of the sanctions imposed in the calendar month. The grade is determined by the number of failures they have had previously. The grade determines what level of sanction they get.
- 15 **How the grade is determined**

The grade is determined by the number of failures the client has had in the last 12 months except in the following situations:

- a. If a client has been off benefit for more than 10 days (e.g. in employment), the period will reset, or
- b. If a client has had a grade 3 or 4 sanction and re-complied, the period will reset, or
- c. If a client has had a grade 3 or 4 sanction and been off benefit for more than 13 weeks, the period will reset.

For obligation failures after 26 May 2025 these will be counted for two years instead of 12 months.

16 **What each grade means:**

1. Grade 1 is a 50% suspension
 2. Grade 2 is a 100% suspension
 3. Grade 3 is a 100% cancellation
 4. Grade 4 is a 100% cancellation
- ii. Grade 4 is used only for cases where the client refused a suitable job offer.
 - iii. Clients with children have 50% protection of their benefit entitlement. This means a sole parent will never be sanctioned more than 50% and a couple with children will maintain 50% of their overall entitlement (both can be 50% or one can be up to 100% if the other is not sanctioned)

17 **Average days in orange, red and for a client to re-comply** is the mean number of calendar days a client is in this category and includes weekends and public holidays, etc. Also, the red category incorporates non-compliant clients. A non-compliant client is defined as someone who hasn't re-complied within the time-period that has been set. For grade 1 and 2 this is four weeks (grade 3 are cancelled after five days). The statistics only include grade 1 and 2. Also refer to note 1 above in these explanatory notes for additional explanation.

18 **Work obligations with no current obligations;** clients who have work obligations (usually part time or have an exemption which reduces their obligations to part time or work preparation) but are working more hours than they need to will be considered 'meeting their obligations'. Therefore, they will have no obligations they are required to meet (as they are already meeting them).

19 **Non-financial sanctions eligibility breakdown (Current Month);** 'NFS Eligible' clients are those in the target cohort (incorporating clients with dependent children or in case management) who have not had an obligation failure in the last 12 months.

'In target cohort NFS not eligible' clients are those in the target cohort who have had one or more obligation failures in the last 12 months. Those clients making up the 'Rest of TLS (NFS not eligible)' are clients who are not in the target cohort, and 'Youth (NFS not eligible)' clients are those with youth obligations.

File ref: REP/25/8/610

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Report as at end of

May2025

Total Clients In The TLS

Current Month ▲	Difference from Last Month
346,663	5,755

Total Obligations Failures

Current Month ▲	Difference from Last Month
8,245	1,386

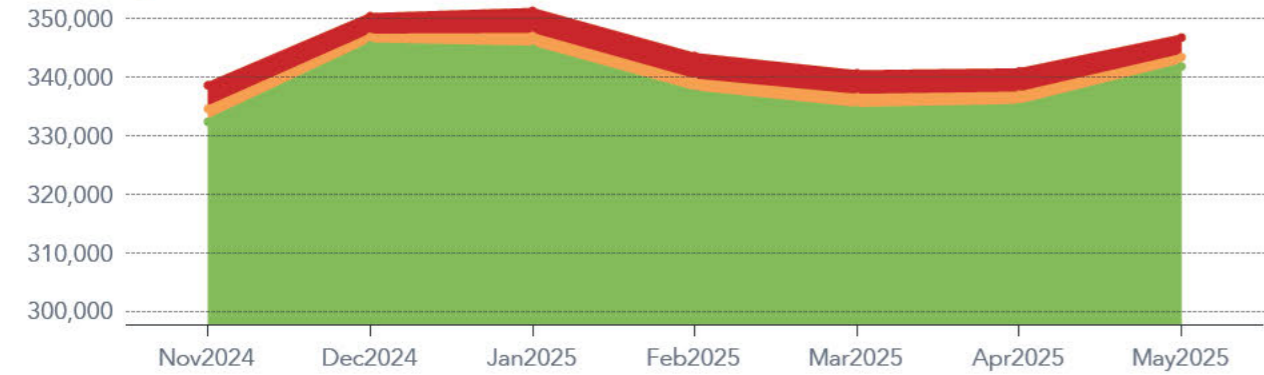
Total Sanctions

Current Month ▲	Difference from Last Month
4,794	517

Benefit Exits Due To Sanctions (Since August 2024)

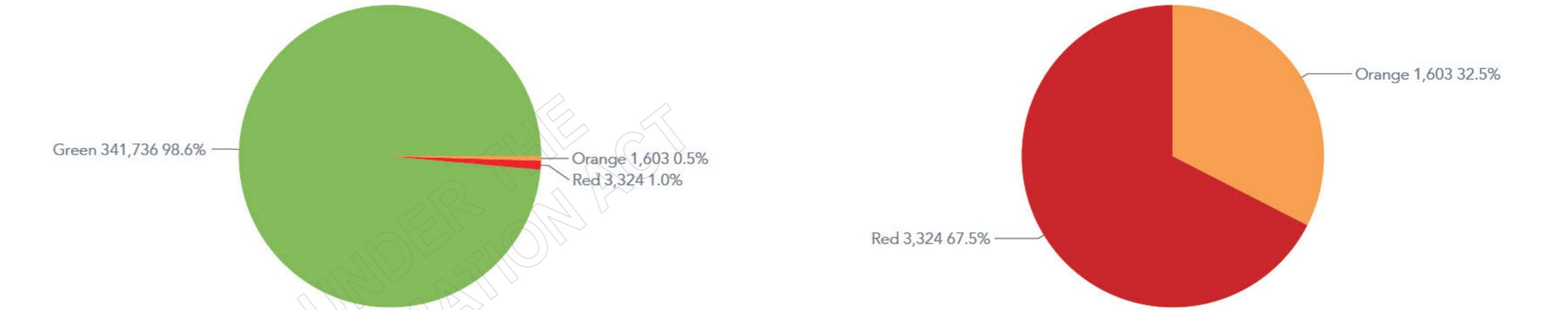
Cumulative Total ▲	Difference from Last Month
3,332	406

TLS Progress Chart



TLS Colour		Nov2024	Dec2024	Jan2025	Feb2025	Mar2025	Apr2025	May2025
Green								
Orange								
Red								
Red	Total Clients	3,991	3,522	4,268	4,374	4,038	3,969	3,324
Orange	Total Clients	2,224	1,486	2,166	2,018	2,232	2,106	1,603
Green	Total Clients	332,315	345,297	344,746	337,123	334,305	334,833	341,736

Total Clients By TLS Status



Priority Groups



Demographics - Clients in the TLS as at end of

May2025

Benefit Type	▲ Last Month	Last Month (% of total)	Current Month	Current Month (% of total)	Difference from Last Month
Emergency Benefit	1,621	0%	1,679	0%	58
Emergency Maintenance Allowance	860	0%	857	0%	-3
Jobseeker Support - Health Condition or Disability	100,507	29%	101,865	29%	1,358
Jobseeker Support - Work ready	137,259	40%	138,083	40%	824
Jobseeker Support Student Hardship	73	0%	77	0%	4
Sole Parent Support	81,283	24%	81,523	24%	240
Supported Living Payment	19,305	6%	19,402	6%	97
Youth/Young Parent Payment	0	0%	3,177	1%	3,177

Gender	▲ Last Month	Last Month (% of total)	Current Month	Current Month (% of total)	Difference from Last Month
Female	192,244	56%	195,597	56%	3,353
Gender Diverse	2,033	1%	2,100	1%	67
Male	146,631	43%	148,966	43%	2,335

Obligation Type	▲ Last Month	Last Month (% of total)	Current Month	Current Month (% of total)	Difference from Last Month
Work test obligations only	203,188	60%	205,182	59%	1,994
Work test and social obligations	119,638	35%	119,894	35%	256
Social obligations only	17,614	5%	17,897	5%	283
Youth obligations	0	0%	3,283	1%	3,283

Ethnicity	▲ Last Month	Last Month (% of Total)	Current Month	Current Month (% of total)	Difference
Māori	131,746	34%	134,485	34%	2,739
European	146,580	38%	148,403	38%	1,823
Pacific Peoples	48,090	12%	48,918	12%	828
Asian	19,612	5%	19,823	5%	211
Middle East/Latin/African	6,580	2%	6,620	2%	40
Other	12,156	3%	12,301	3%	145
Unspecified	23,725	6%	24,531	6%	806

Case Management Group	▲ Last Month	Last Month (% of total)	Current Month	Current Month (% of total)	Difference from Last Month
Employment-Focused Case Management	53,949	16%	54,447	16%	498
Not in case management	266,899	78%	272,187	79%	5,288
Other Case Management	9,958	3%	9,995	3%	37
Phone-Based Case Management	10,102	3%	10,034	3%	-68

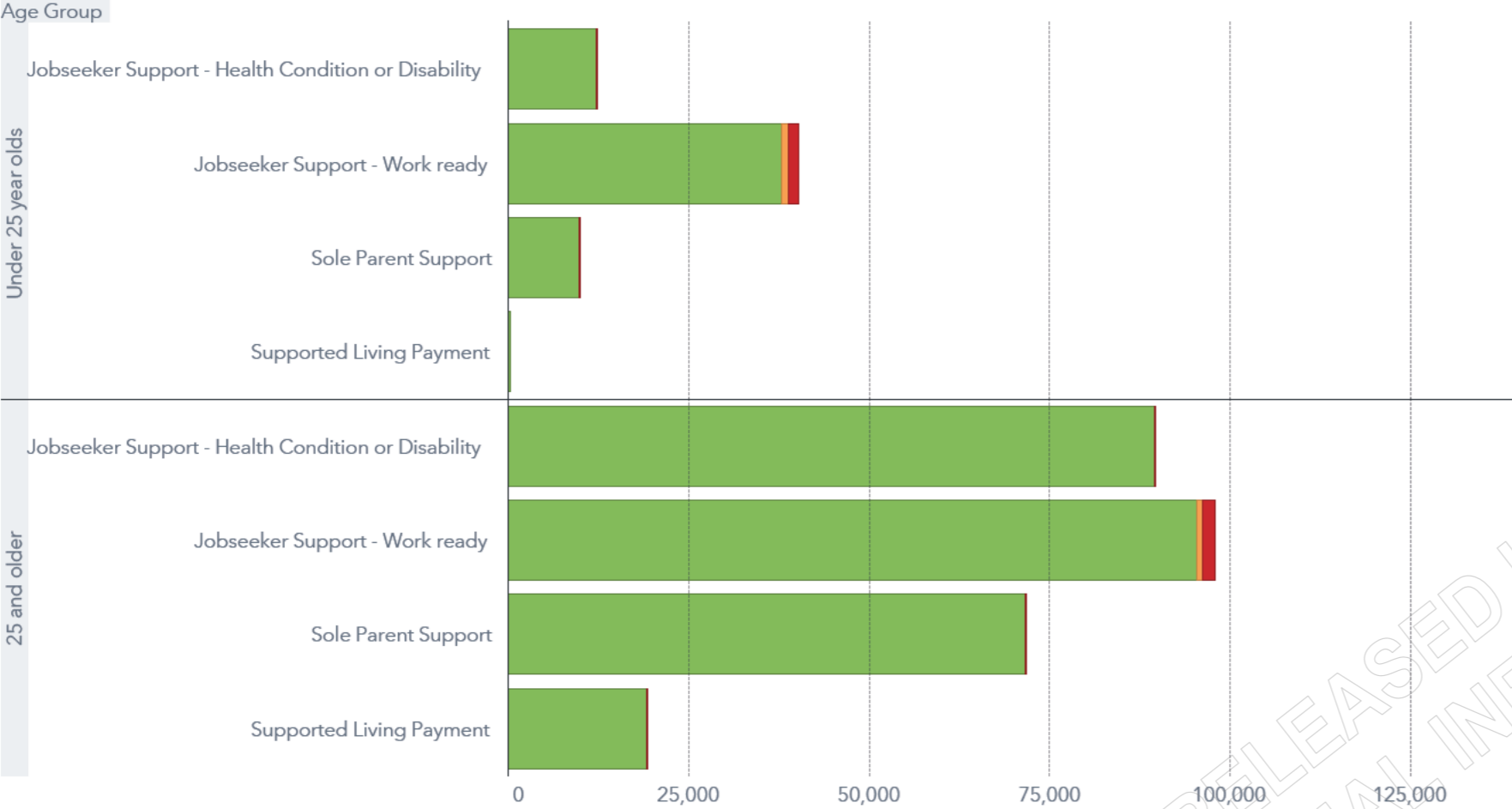
Child Included in Benefit	▲ Last Month	Last Month (% of total)	Current Month	Current Month (% of total)	Difference from Last Month
No	203,656	60%	207,320	60%	3,664
Yes	137,252	40%	139,343	40%	2,091

Age Group	▲ Last Month	Last Month (% of total)	Current Month	Current Month (% of total)	Difference from Last Month
Under 25 year olds	62,291	18%	66,138	19%	3,847
25 and older	278,617	82%	280,525	81%	1,908

Benefit Duration	▲ Last Month	Last Month (% of total)	Current Month	Current Month (% of total)	Difference from Last Month
One year or less	113,923	33%	117,324	34%	3,401
More than a year	226,517	66%	228,933	66%	2,416
Not current on benefit	468	0%	406	0%	-62

Demographic Breakdown

Benefit Type By Age Group and TLS Colour



Benefit Type By Duration and TLS Colour

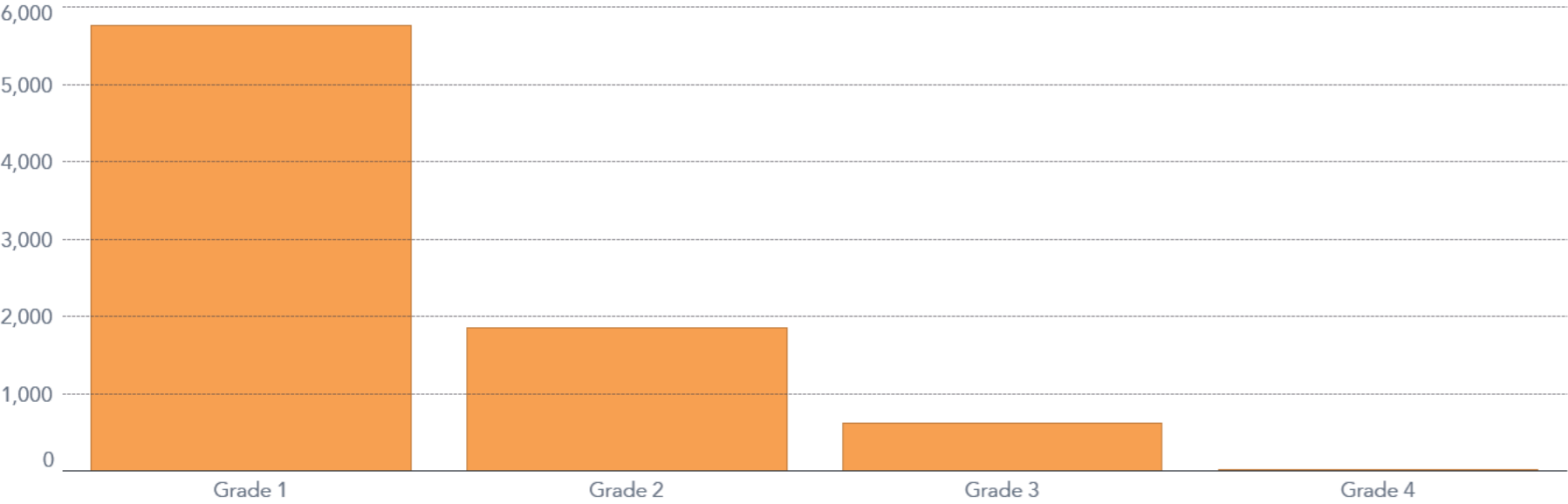


Benefit Type ▲	Jobseeker Support - Health Condition or Disability		Jobseeker Support - Work ready		Sole Parent Support		Supported Living Payment	
Age-Group ▲	<25	25+	<25	25+	<25	25+	<25	25+
TLS Colour ▲	Total Clients	Total Clients	Total Clients	Total Clients	Total Clients	Total Clients	Total Clients	Total Clients
Green	12,249	89,535	37,904	95,434	9,878	71,603	306	19,095
Orange	18	11	826	722	s9(2)(a)	16	0	0
Red	21	31	1,516	1,681	s9(2)(a)	17	0	s9(2)(a)

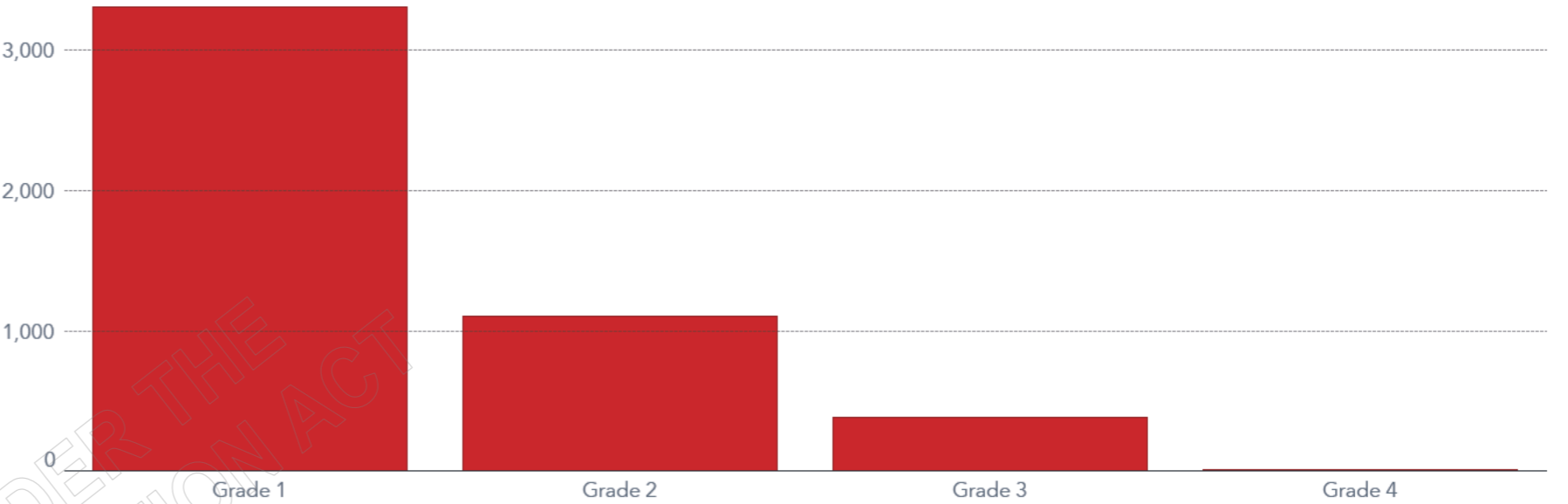
Benefit Type ▲	Jobseeker Support - Health Condition or Disability		Jobseeker Support - Work ready		Sole Parent Support		Supported Living Payment	
Duration ▲	< 1 year	> 1 year	< 1 year	> 1 year	< 1 year	> 1 year	< 1 year	> 1 year
TLS Colour ▲	Total Clients	Total Clients	Total Clients	Total Clients	Total Clients	Total Clients	Total Clients	Total Clients
Green	28,004	73,780	68,229	65,109	13,212	68,269	1,684	17,717
Orange	14	15	949	599	s9(2)(a)	17	0	0
Red	25	26	1,957	835	s9(2)(a)	21	s9(2)(a)	0

Obligations and Sanctions

Obligation Failures By Grade



Sanctions By Grade



<div><div></div></div> <div>Obligations Failures</div>	Grade 1		Grade 2		Grade 3		Grade 4	
	5,755	70%	1,858	23%	623	8%	9	0%

<div><div></div></div>	Grade 1		Grade 2		Grade 3		Grade 4	
	3,306	69%	1,102	23%	383	8%	0	0%

Average days in Orange

9

Average days in Red

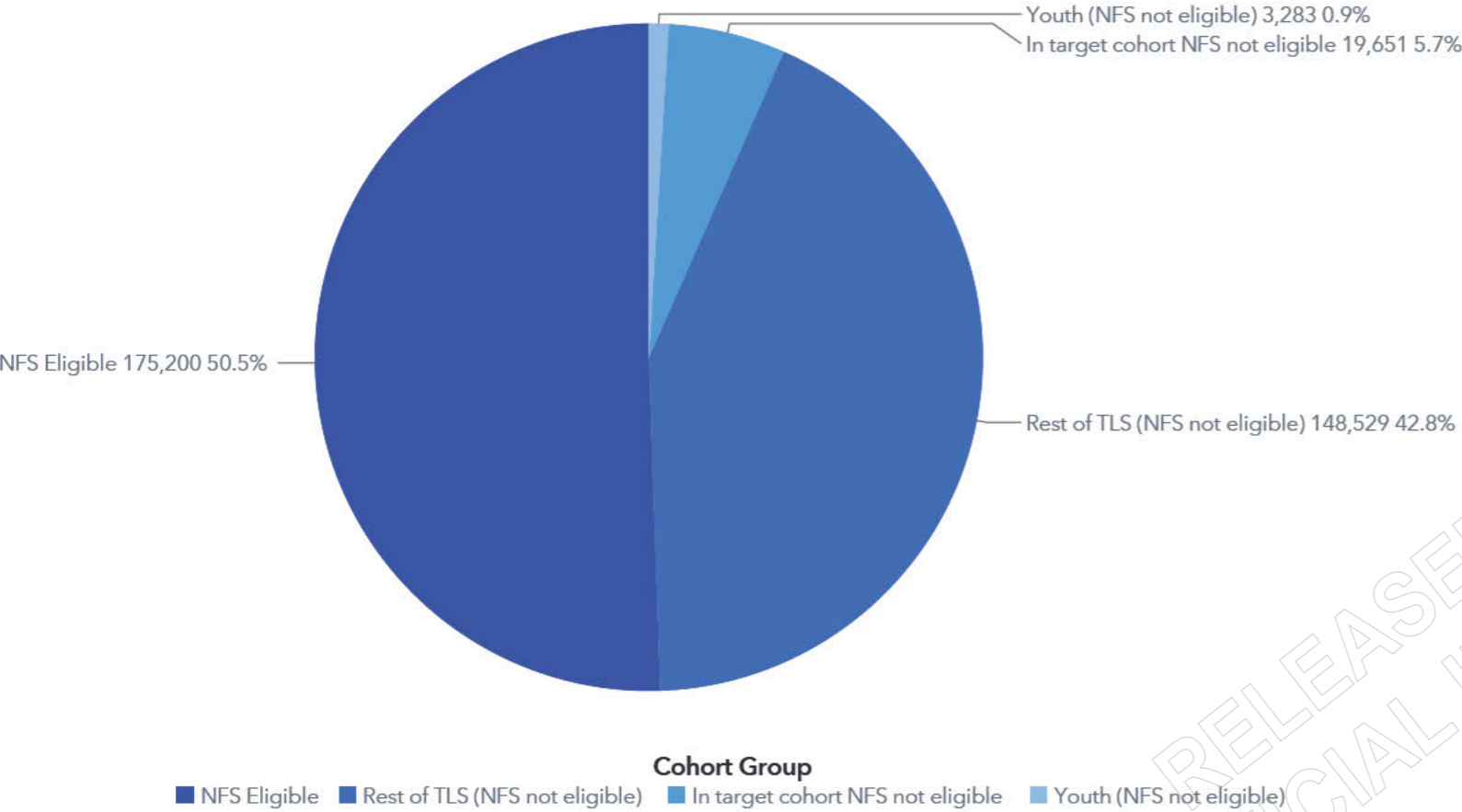
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Average days to recompile

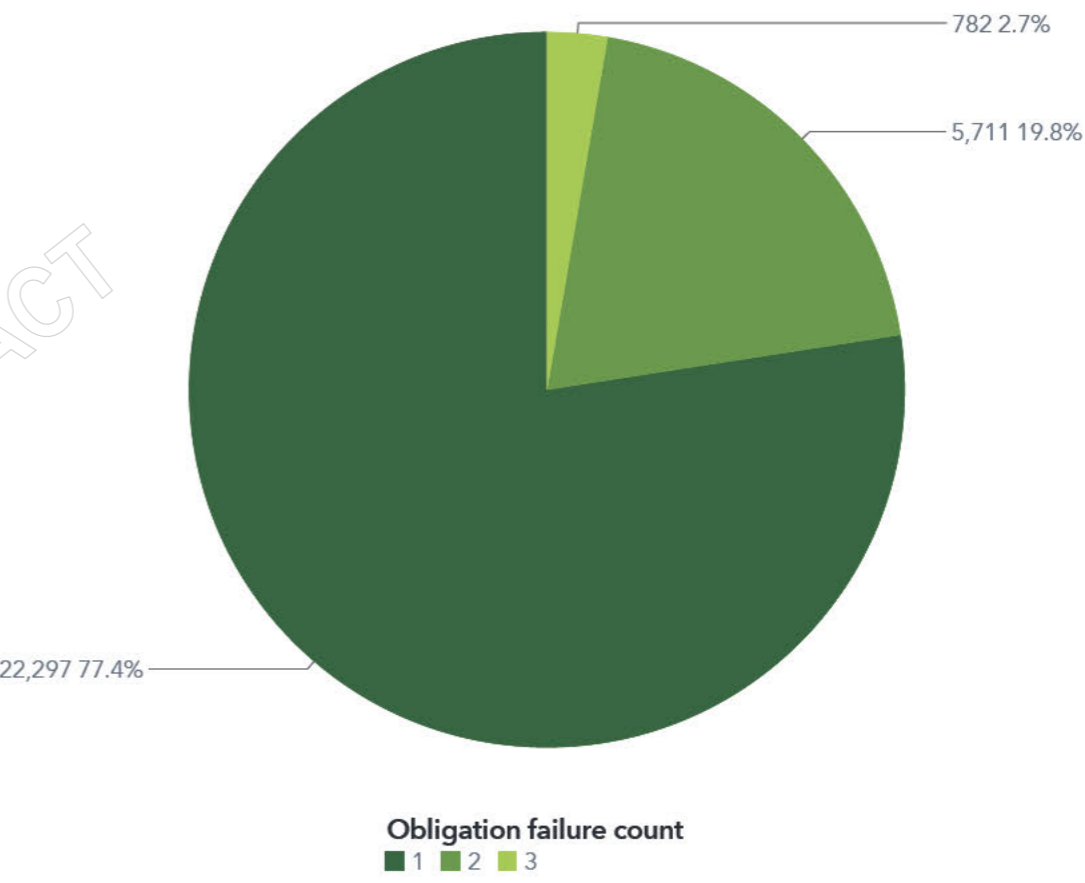
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Report as at end of 29May2025

Non financial sanctions eligibility breakdown (Current Month)



Obligation failure count by sanction grade



Cohort Group ▲	Total Clients
In target cohort NFS not eligible	19,651
NFS Eligible	175,200
Rest of TLS (NFS not eligible)	148,529
Youth (NFS not eligible)	3,283
Total:	346,663

Obligation failure count ▲	Total Clients
0	317,873
1	22,297
2	5,711
3	782
Total:	346,663