

Effectiveness of MSD employment assistance

Report for 2021/22 financial year

November 2024



**MINISTRY OF SOCIAL
DEVELOPMENT**

TE MANATŪ WHAKAHIATO ORA

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Executive summary

This annual report summarises the Ministry's evidence on the effectiveness of its employment assistance (EA) expenditure to the end of the 2021/2022 financial year. EA expenditure covers programmes and services designed to help people to prepare for, find, and keep employment.

The purpose of this report is to show progress towards delivering effective EA interventions. In doing so, MSD can demonstrate both its implementation of the government's investing for social wellbeing approach and meet its obligations under the Public Finance Act.

While informative about overall trends, the information in this report lacks the necessary detail for making decisions on the future of individual EA interventions. For example, there could be a range of policy and operational responses to addressing poorly performing interventions. Conversely, while it is tempting to increase funding for interventions identified as 'effective', care should be taken to avoid over-investment (ie exceeding the level of need) as well as compromising an intervention's fidelity through rapid scale up.

Impact of COVID

The COVID-19 response included new employment interventions to help people and business deal with the economic disruption from the pandemic. The largest of these were the COVID Wage Subsidy Scheme and the Apprenticeship Boost Initiative. These two initiatives are not covered in this report.

- The COVID Wage Subsidy Scheme is excluded from the analysis because of its size (about \$18.8 billion) and one-off nature. However, MSD is evaluating the effectiveness of Wage Subsidy Scheme itself separately from this report.
- Ministry of Education (MoE) is the policy lead for the Apprenticeship Boost Initiative while MSD delivers the initiative with support from the Tertiary Education Commission. MoE plans to evaluate Apprenticeship Boost during 2023.

In addition to new interventions, the COVID-19 response also included the expansion of existing EA interventions such as the Flexi-Wage subsidy and self-employment assistance.

Main changes from the 2021 report

This report updates the analysis from the last review to 2019/2020 (de Boer & Ku, 2021). The main changes to this report include:

- inclusion of expenditure on in-house employment related case management
- launch of a web application with detailed information on each EA intervention included in this report (ea.analytics.msd.govt.nz)
- general updates to the methodology and results that this report is based on.

Appendix 5 shows how this report's findings differ from the 2021 results.

Key results

MSD spent \$831 million on EA assistance in 2021/2022

In the 2021/2022 financial year, we estimate that MSD spent a total of \$831 million¹ on EA interventions (excluding the COVID-19 Wage Subsidy and Apprenticeship Boost). This was a substantial increase in expenditure from the pre-COVID period (\$531 million in 2019/2020).

In 2021/2022 we could rate the effectiveness for just over 40% of the EA expenditure

In 2021/2022 we could rate the effectiveness of \$340 million (41% of total expenditure).² The remaining expenditure could not be evaluated because:

- it was not feasible (\$435 million)
- the analysis has not been undertaken as yet (\$56 million).

Most of the expenditure rated as 'not feasible' was on interventions related to childcare assistance (\$209.8 million). We provide more detail in the report on our reasoning as to why it is not feasible to evaluate these interventions for effectiveness.

The expenditure not yet evaluated includes several large, recently introduced, interventions, including: He Poutama Rangatahi (\$21.1 million) and Māori Trades and Training Fund (\$11.9 million).³

¹ Expenditure is expressed in nominal dollars (ie not CPI-adjusted) and includes indirect costs. The companion technical report summarises how we calculated the cost of EA interventions.

² In this report, we round expenditure values to the nearest million for values over \$10 million and to the nearest \$100,000 for values under \$10 million.

³ He Poutama Rangatahi and Māori Trades and Training Fund were transferred from MBIE to MSD in July 2021. For consistency, the expenditure on these programmes since their inception has also been included in this report.

Level of expenditure with an effectiveness rating has increased since the 2019/2020 financial year

2021/2022 saw a large increase in spending that we could rate effectiveness for (\$340 million), to reach the highest level since 2011/2012. This increase was driven by the expansion of Flexi-wage interventions (from \$24.8 million in 2019/2020 to \$81.5 million in 2021/2022) and Mana in Mahi (from \$7.2 million in 2019/2020 to \$33.0 million in 2021/2022).

Of the rated EA interventions, \$297 million of expenditure was on promising or effective interventions

In 2021/2022, the amount spent on EA interventions that we rated as 'effective' or 'promising' made up 87.2% of the evaluated spend at \$297 million out of \$340 million. Effective interventions show positive impacts on one or more outcome domains and no negative effects. Promising interventions are those that, based on current trends, are likely to be effective over the long-term.

\$9.6 million was spent on interventions with a rating of 'making no difference'

These are EA interventions whose impacts are not statistically significant and are accordingly rated as 'making no difference' (\$9.6 million). This category includes many smaller interventions such as Business Training and Advice Grant (\$1.4 million) where it is difficult to identify whether the intervention's impacts are statistically significant or not due to the small number of participants.

\$8.6 million was spent on interventions with a mixed rating

In 2021/2022, 2.5% of evaluated EA expenditure was rated as mixed. By 'mixed' we mean that interventions have both positive and negative impacts. A common pattern for programmes with a mixed rating is to increase income and time in employment, but also reduce time spent in study and that results in lower qualifications gained than the comparison group. In 2021/2022, Limited Services Volunteer was the only intervention to have a mixed rating.

\$25 million was spent on interventions with a negative rating and these are under active review

In 2021/2022, 7.4% of evaluated EA expenditure was spent on interventions that had a 'likely negative' or 'negative' rating. For these interventions, the evidence indicates that the intervention reduces rather than improves participant's outcomes relative to the comparison group.

The main intervention in this category was Youth Service (NEET) (\$12.9 million). In response to earlier assessments of the negative impact of Youth Service (NEET), the Ministry has scaled down the size of the programme and has redesigned aspects of the service to try to improve its performance. These changes were implemented at the start of 2020. However, it is too soon to assess whether these changes have improved the performance of the service.

Flexi-wage Self-Employment (\$12.3 million) also has a negative rating, by reducing the total income of the participants relative to the comparison group. Under the Flexi-wage expansion MSD-contracted providers deliver a mix of pastoral care, mentoring and business support needed to help people start their own business. In selected regions, providers were specifically contracted to provide this support to Māori and Pacific people in particular. Alongside Flexi-wage Self Employment, the maximum grant for the Business Training and Advice Grant (BTAG) increased from \$1,000 to \$5,000.

Introduction

This annual report summarises the Ministry's evidence on the effectiveness of its employment assistance (EA) expenditure to the end of the 2021/2022 financial year. The purpose of this report is to show progress towards delivering effective EA interventions. In doing so, MSD can demonstrate both its implementation of the government's investing for social wellbeing approach and meet its obligations under the Public Finance Act.⁴

The purpose of this report is to track overall progress on delivering effective EA interventions. While informative on overall trends, this report lacks the necessary detail for making decisions on the future of specific EA interventions.

Impact of COVID

The COVID-19 pandemic affected the results for 2021/2022 report in the following ways:

- lockdowns reduced spending on some EA interventions in 2019/2020 and 2020/2021
- lockdown delayed implementation of new initiatives as well as the evaluation of some interventions, such as Mana in Mahi and Oranga Mahi
- it led to the introduction of large initiatives designed to support the labour market during lockdown and recovery, such as COVID wage subsidy programmes
- expansion of funding to existing EA interventions such as Flexi-wage or the introduction of new initiatives such as Apprenticeship Boost Initiative to assist with post COVID-19 economic recovery.

In this report, we have excluded the COVID wage subsidy programme from the analysis because of its size (over \$14 billion) and one-off nature. MSD is evaluating the effectiveness the Wage Subsidy Scheme and will report these findings separately to this report. The government also introduced the Apprenticeship Boost Initiative which is a Ministry of Education initiative delivered by MSD with support from the Tertiary Education Commission. The Apprenticeship Boost Initiative is also excluded from this analysis.⁵

⁴ Public Finance Act (2013) Section 34, 2b: The chief executive of a department that administers an appropriation is responsible for advising the appropriation minister on the efficiency and effectiveness of any departmental expenses or departmental capital expenditure under that appropriation.

⁵ The Ministry of Education is the policy lead for Apprenticeship Boost Initiative and will be assessing the benefits of initiative after its completion in December 2023. For this reason, it has

Main changes from the 2021 report

This report updates the analysis from the last review to 2019/2020 (de Boer & Ku, 2021). The main changes to this report include:

- inclusion of expenditure on in-house employment related case management
- web application with detailed information on each EA intervention included in the report
- general updates to the methodology and results that this report is based on.

Appendix 5 shows how this report's findings differ from the previous 2021 report.

Alongside the overview provided in this report, MSD launched a web application – the Employment Assistance Evidence Catalogue (ea.analytics.msd.govt.nz) – that provides information on the individual interventions covered in this report. The catalogue includes:

- description and current status of each EA intervention
- timeline of key policy and design changes
- breakdown of the cost of each EA intervention
- profile of who participates
- impact of the intervention on participants' outcomes (if available)
- links to relevant published reports and analyses.

Definition of Employment Assistance

In the literature there are several overlapping definitions of EA interventions, also referred to as Active Labour Market Programmes (ALMPs). In this report, we define EA interventions as those designed to help people prepare, find, move into, and keep employment. Within this definition, the term EA intervention includes policies, services and programmes either run internally by MSD staff or contracted out to external providers by MSD. Note that some interventions included in this report may have other objectives alongside employment.

been excluded from MSD's regular reporting on the effectiveness of its expenditure on employment related programmes and services.

In most cases, the EA interventions described in this report refer to a specific interventions with clear documentation. However, there are some interventions that refer to generic activities, such as New Initiatives or Employment Placement or Assistance Initiatives. These often refer to locally designed and delivered interventions. Because of their small scale it was not possible to assess their effectiveness on a case-by-case basis and instead they have been aggregated into generic intervention types.

Assessing intervention effectiveness

By effectiveness, we mean whether an EA intervention improves participants' outcomes relative to the counterfactual (ie the outcomes participants would have had if they had not participated). The counterfactual can be estimated in a number of ways, but most often involves a comparison group of non-participants who are similar to the participants.

In the current analysis, we assess effectiveness against five main outcomes that we expect EA interventions to have a positive impact on (ie the outcomes of the participants exceed those of the comparison group).

- **Employment:** the overarching goal of EA interventions is to increase the time participants spend in employment over the long term.
- **Income:** we judge interventions to have a positive impact if they increase participants' overall income.⁶
- **Justice:** interventions have a positive impact if they reduce time in corrections services.
- **Education qualifications:** increase in participants' highest education attainment as measured by the New Zealand Qualifications Framework (NZQF).
- **Welfare:** most, but not all, EA interventions aim to reduce the time people spend on a main benefit and is measured here through the reduction in income support assistance payments.

While these outcome domains are important, we acknowledge that they are not comprehensive. We plan to increase outcome domains to include those such as mortality and health care use. in subsequent reports.

⁶ Currently we do not have a reliable measure of household income, so the analysis is based on individual income only and does not account for the number of dependants a person might have.

Effectiveness rating

Based on the impact on one or more of the above outcome domains, we categorise EA interventions into the following groups:

- **Effective:** the intervention has significant positive overall impact on one or more outcome domains and no negative impacts for any other domain.
- **Promising:** trend in impacts across outcome domains indicates the intervention is expected to have a significant positive overall impact over the medium to long term.
- **Mixed:** the intervention has both positive and negative impacts on different outcome domains (eg positive impact on income support payments, but a negative impact on overall income).
- **Makes no difference:** the intervention makes no significant difference on any outcome domain relative to the comparison group.
- **Likely negative:** trend in impacts across outcome domains indicates the intervention is expected to have negative overall impact over the medium to long term.
- **Negative:** the intervention has a significantly negative overall impact for one or more outcome domains and no positive impacts for any other.

In addition to the effectiveness categories above, we have three additional categories for non-rated EA interventions.

- **Too soon to rate:** there has been insufficient time to judge whether the intervention is effective. Specifically, we do not rate an intervention until we have at least two years of outcome results, unless it shows unambiguously positive impacts within the two-year window.
- **Not feasible:** it is currently not technically possible to evaluate the effectiveness of the intervention.
- **Not rated:** we have not yet assessed the effectiveness of the intervention. This category often includes newer interventions where the required work to identify individual participants and the specific impact method has not been completed.

A separate technical report that provides further detail on how we estimated the impact of EA interventions and how we rated each intervention's overall effectiveness is published alongside this report (de Boer, 2022).

Important aspects of the analysis

There are several aspects of the analysis that the reader needs to keep in mind.

Estimation of effectiveness

Determining the difference interventions make to participant outcomes is technically difficult. We use a range of methods to estimate the impact, from very robust methods, such as Randomised Control Trials (RCTs), through to less robust methods, such as Propensity Score Matching (PSM) and natural experiments. For the latter group of methods, there is a risk that the reported impacts may be biased (ie the reported impact either over or underestimates the true impact). Having said this, the impacts presented in this report are the best currently available for each EA intervention.

Where we consider there is no sufficiently robust method, then we give the intervention's effectiveness rating as 'Not feasible'. We acknowledge that it is a judgement call as to whether an impact method is sufficiently robust. Within this reporting series, we have changed previously rated interventions to be not feasible. For example, in previous reports, we gave an effectiveness rating to widespread, high-frequency job search seminars, but we now consider it is not feasible to estimate the impact of these types of interventions as individual events. These issues are picked up in more detail later in the report.

Some interventions are worth funding even if we cannot assess their effectiveness

As observed in the previous paragraph, while we strive to assess the effectiveness of all interventions, this is not always possible. However, not being able to assess effectiveness should not preclude funding an intervention if, on balance, it is believed that it meets a real need and is likely to be effective, based on indirect evidence. For example, there is little debate about the need to provide childcare payments to enable low-income families to work.

Alternatively, if there is doubt about the effectiveness of an intervention, then one response would be to commission an evaluation with a robust impact method. For example, while it is not possible to assess many transition-to-work interventions using quasi-experimental methods⁷, these can be assessed using an RCT methodology.

⁷ A set of methods that try to create a comparison group without using a process for randomly assigning people to a treatment or control group as is done in an RCT. Refer to the companion technical report for more detail.

Intervention effectiveness is measured relative to the assistance received by the comparison group

It is important to keep in mind when interpreting effectiveness that an intervention's impact is relative to the experience of the comparison group, specifically what employment assistance they receive. Because comparison group members can receive other forms of employment assistance, impact estimates should interpret the difference between participating in the intervention relative to the assistance the comparison group received (ie Business as Usual).

In other words, we are rarely able to identify the impact of an intervention relative to a 'no intervention' counterfactual. Instead, in contexts where a high proportion of the comparison group receives alternative forms of effective employment assistance, then the observed impact of the intervention on the participant group will be lower than when the comparison group receives little employment assistance.

The length of the outcome period is important

The impact of EA interventions on outcomes changes with the duration of the follow up period after a person starts an intervention. It is common to see that, while people are on an intervention, there are short-term negative impacts. Such impacts are referred to as 'lock-in' effects. Lock-in effects mostly occur for longer duration interventions or where the purpose of the intervention is to gain a qualification. Under these conditions, participants have less time to look for work or prefer gaining the qualification over job offers. As a result, at completion of the intervention, participants can spend longer on income support and be less likely to be in employment than if they had not participated.

On the other hand, the benefits of EA interventions often occur after completion. For some interventions, such as training programmes, these positive effects may not outweigh the early lock-in effect until years after participants have completed their training.

Variation in the size and direction of an intervention's impact poses a challenge when judging effectiveness. Clearly, the observed impacts of an intervention will always capture short-term (likely negative) effects. On the other hand, evaluation projects often end before they can measure the long-term (likely positive) impacts of the intervention.

In this analysis, we address this problem in three ways:

1. update the impact results as the follow-up period increases. Currently we track outcomes of interventions for up to 20 years after participants start (eg 20 year impacts are for those who started in the year 2001)

2. estimate the unobserved long-term impact for each intervention cohort to balance against the observed short-term impacts
3. reserve judgement on whether an intervention is rated as ineffective until we have at least two years of post-participation impacts and instead the intervention is given a 'too soon to rate' designation.

Two-year outcome period may be too short for some interventions

For certain interventions, such as long-term training programmes, it can take longer than two years before we see an overall positive impact. We partly address this issue by including the projection of the long-term impact of interventions in our analysis. However, it may still be the case that for these interventions, as well as for certain subgroups (such as sole parents) we need to allow a longer period before determining whether the intervention is effective overall.

Effectiveness ratings do change

We continually update the analysis underpinning this report. Updates involve:

- extending our follow-up period for measuring intervention's impacts
- adding new interventions
- improvements, and corrections to our methodology.

These updates can result in changes in the effectiveness rating of interventions between reports in this series. The biggest change so far has been the rating of self-employment subsidies that have shifted from an effective to a negative rating.

Similarly, the performance of individual interventions has changed over time. In this report series, we make separate assessments of each intervention's effectiveness based on the participants' start year. Therefore, changes to design, targeting and operation of interventions will be reflected in the effectiveness ratings for each year the intervention operates.

We have not accounted for non-participant effects

The focus of this report is on interventions' impact on participants' outcomes. We have not accounted for impacts on non-participants. For EA interventions, two important non-participant effects are (i) substitution and (ii) displacement. Substitution occurs when a participant takes a vacancy that would have been filled by someone else and is most likely to occur for job placement

programmes. Displacement occurs when subsidised labour can reduce employment among competing firms and is of most concern for subsidy-based interventions.

No cross-validation with international evidence

At this stage, we have not included international evidence. Cross-validation with international experience is useful in identifying where New Zealand's experience differs from other jurisdictions. In cases where there is contradictory evidence, we need to more carefully understand why there is a difference.

Assessing diverse interventions against a common standard

In some cases, EA interventions have objectives not included in the outcomes covered in this report. We acknowledge that we may understate the full scope of these interventions.

At the other end of the spectrum, some EA interventions may seek to increase employment, but not to reduce time on main benefit (eg for people with health problems or disabilities for whom full-time work may not be an option). In the analysis, we do not penalise an intervention if it has no significant impact on one or more outcome domains (eg an effective intervention can increase employment for participants relative to the comparison, but not have an impact on the time on main benefit). However, we argue that interventions should at minimum have no negative impacts against the above outcome domains (eg if an intervention increases time in employment, but also reduces the time off income support assistance, then it is given a mixed rating).

No assessment of the relative size of effects

The effectiveness rating assessment does not account for the relative size of effects. In other words, are the impacts large compared to the cost of the intervention? We plan to address this issue through later cost-benefit analysis that will enable better accounting of both the size and direction of intervention effects.

No assessment of effectiveness for sub-groups of participants

The current analysis has not looked at whether there is any variation in the effectiveness of EA interventions across participant groups. It may well be that interventions are more effective for some groups and not for others. Such findings could help with targeting of programmes and services to improve their effectiveness. We plan to include some sub-group analysis in later reports.

A related issue to better targeting, is that the effectiveness of interventions is based on the profile of participants and the context the intervention operates in. It is not possible to assume that the same effectiveness results will be achieved if the intervention is targeted to groups that have not previously participated.

Estimation of intervention cost

In this report we estimate the full cost of EA interventions, including indirect costs such as property, ICT and national office functions. For some costs, such as subsidies, there is a direct relationship between financial information and the intervention. However, for aspects such as staff time, we rely on a cost allocation model to estimate what share of these costs are allocated to each intervention (see technical report).

We make regular updates to the cost allocation model in response to the latest information on different costs and how they should be allocated to interventions. For this reason, readers should treat the expenditure values in this report as estimates and that these values may change between each update to this report series.

Information in this report is insufficient for making decisions on the future of individual EA interventions

As the previous comments make clear, the information in this report, on its own, is insufficient to make recommendations on the future of any individual intervention. Instead, the findings in the report help point to where we need to better understand the effectiveness of individual EA interventions. This more detailed investigation of the evidence will inform the future of the interventions covered in this report.

Structure of the report

The report is structured as follows:

- The main body of the report summarises the evidence on the effectiveness of EA expenditure in the 2021/2022 financial year compared with previous financial years.
- Appendix 1 provides a more detail on how we rate the effectiveness of interventions, and the reason specific interventions cannot be rated for effectiveness.
- Appendix 2 shows the change in expenditure for individual interventions by effectiveness rating.

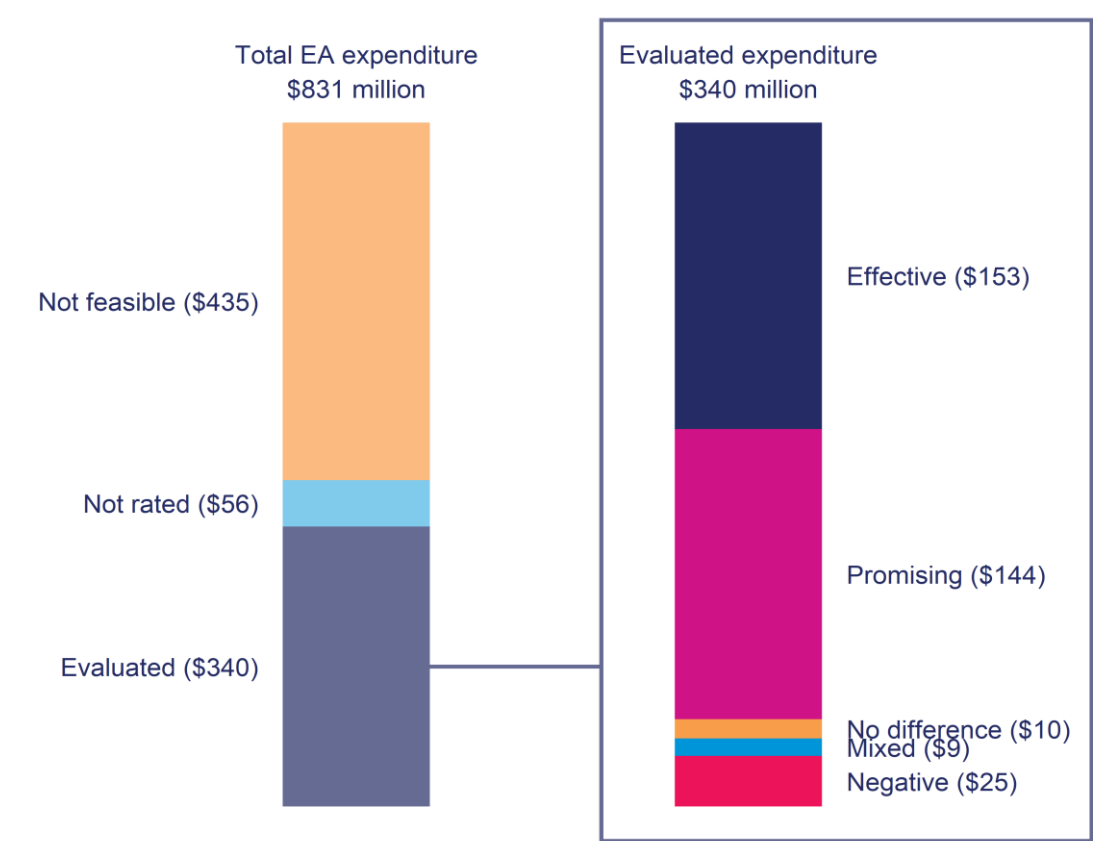
- Appendix 3 lists the current evaluation for EA interventions and their expected report dates.
- Appendix 4 summarises the EA intervention expenditure in this report against Vote MSD's appropriations.
- Appendix 5 compares the results of the current report to the previous report in this series.

A summary of the method underpinning the analysis is in a separate technical report (de Boer, 2022).

The effectiveness of EA interventions in 2021/2022

In the 2021/2022 financial year, we estimate MSD spent a total of \$831 million on employment interventions, of which we could rate the effectiveness of \$340 million (41%) see Figure 1.

Figure 1: Effectiveness of EA expenditure in 2021/2022



a, **Total EA expenditure** Evaluated: Too soon to rate: less than two years of outcomes, Not rated: no impact evaluation undertaken as yet, Not feasible: intervention design or context prevents an assessment of the intervention’s effectiveness. Evaluated: intervention has an effectiveness rating.

b, **Evaluated expenditure** Effectiveness rating: Effective: significant positive overall impact, Promising: expected to have an overall positive impact, Mixed: intervention has both positive and negative impacts, No difference: makes no significant difference, Likely negative: expected to have an overall negative impact, Negative: significantly negative overall impact.

c, These results cover all EA interventions irrespective of funding source, for this reason, the expenditure reported here is higher than reported in MSD’s annual report EA effectiveness

performance measure that covers interventions funded through the Improved Employment and Social Outcomes Support MCA.

d, Expenditure values are nominal (not CPI-adjusted). Because of rounding, subcategories may not add up exactly to total values in the chart.

Source: Statistics New Zealand Integrated Data Infrastructure & Ministry of Social Development June 2022.

As Figure 1 shows, we could not rate some interventions for two reasons:

- it was not feasible (\$435 million)
- the analysis has not been undertaken as yet (\$56 million).

Just under half of the not feasible expenditure was on interventions related to childcare assistance including Childcare Subsidy and OSCAR subsidy and provider assistance (\$209.8 million). The second largest share of this spend was on in-house Employment related case management (\$122.0 million).

The not rated expenditure includes a number of large new initiatives, including He Poutama Rangatahi (\$21.1 million) and Māori Trades and Training Fund (\$11.9 million).

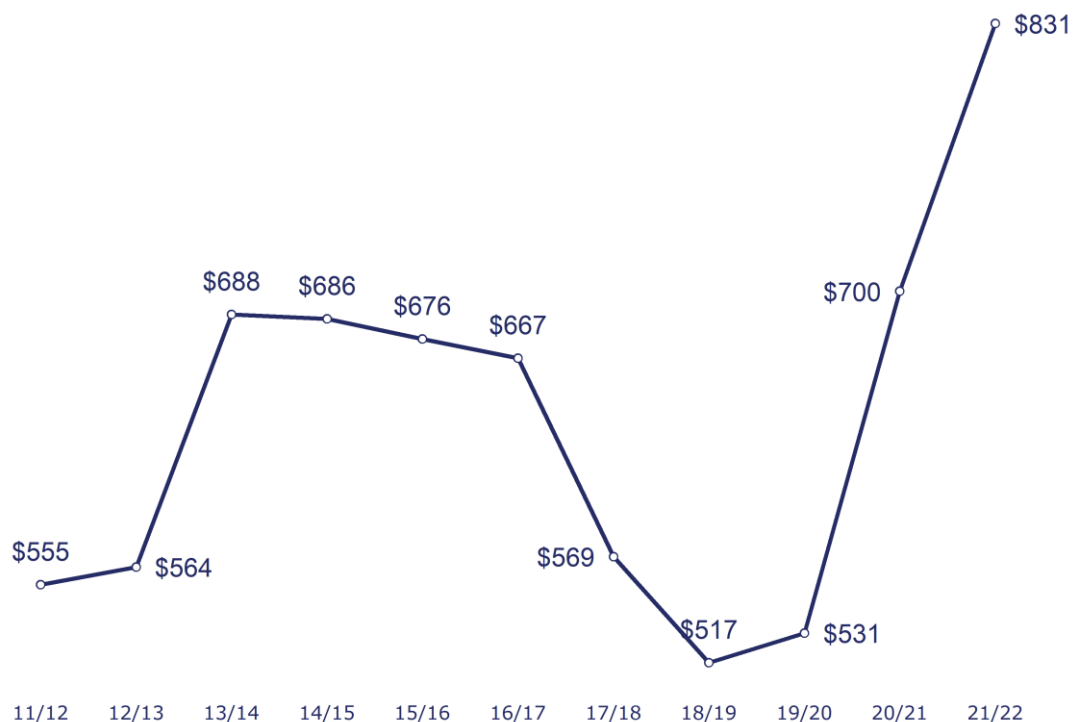
Looking at evaluated interventions (\$340 million), we can see from Figure 1 that:

- \$297 million (87.2%) went on effective or promising employment assistance
- \$8.6 million (2.5%) was spent on interventions that had mixed effects
- \$9.6 million (2.8%) made no difference
- \$25 million (7.4%) had either likely negative or negative impacts.

The trend in EA expenditure over time

Figure 2 summarises the total expenditure on EA interventions over each financial year from 2011/2012 onwards. As part of the COVID response there was a substantial increase in the level of expenditure on EA interventions in the last two financial years from \$531 million in 2019/2020 to \$831 million in 2021/2022.

Figure 2: Total expenditure on EA interventions by financial year (millions)



a, These results cover all EA interventions irrespective of funding source, for this reason, the expenditure reported here is higher than reported in MSD's annual report EA effectiveness performance measure that covers interventions funded through the Improved Employment and Social Outcomes Support MCA.

b, Values are in millions of dollars, expressed as nominal values (not CPI-adjusted).

Source: Ministry of Social Development, June 2022.

Table 1 shows those interventions that have contributed most to the increase in EA expenditure between 2019/2020 and 2021/2022 financial years. The largest increase was among employment subsidies to assist with people moving into employment (Flexi-wage, Mana in Mahi and Skills for Industry) or setting up their own business (Flexi-wage Self-Employment). Further funding also went on helping Māori entities to engage and keep Māori in employment-focused training opportunities (Māori Trades Training Fund) as well as community initiatives to support young people in general (Mayors' Taskforce for Jobs and He Poutama Rangatahi).

Table 1: Expenditure on EA interventions in response to COVID

Intervention	2019/2020	2020/2021	2021/2022
Flexi-wage	\$24.8	\$41.9	\$81.5
Flexi-wage Self-Employment	\$2.0	\$4.6	\$12.3
He Poutama Rangatahi	\$14.2	\$14.9	\$21.1
Mana in Mahi	\$7.2	\$30.4	\$33.0
Māori Trades and Training Fund	-	\$3.7	\$11.9
Mayors' Taskforce for Jobs	\$0.4	\$11.8	\$13.5
Skills for Industry	\$40.3	\$56.3	\$48.6
Total	\$89.0	\$163.7	\$222.0

Dollars are shown in millions and are nominal values (not CPI-adjusted).

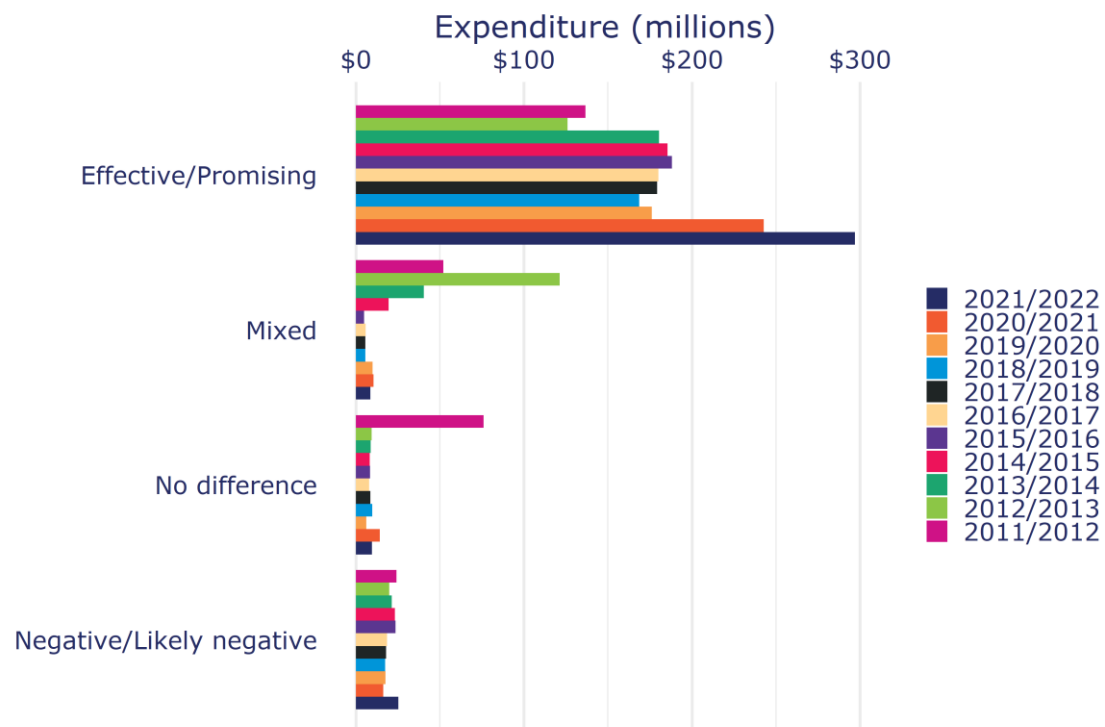
Source: Ministry of Social Development, June 2022.

The trend in performance over time

Figure 3 compares the effectiveness of EA expenditure over the last ten financial years to 2021/2022. The effectiveness rating refers to the experience of people who participated in that year, based on the most recent evidence available. Therefore, expenditure for a given intervention may have different effectiveness rating depending on the participation year. Table 2 shows those instances where an intervention has different rating depending on the year participants started. For example, the noticeable increase in expenditure rated as Mixed in 2012/2013 only to return to the previous level the following year was because Vacancy Placement Full time (\$17.9 million) had a mixed rating in 2012/2013 year, while being rated as effective for all other years in the chart (see Table 2).

The main theme from Figure 3 is an increase in expenditure on interventions rated as effective or promising. This increase was driven by expansion of interventions such as Mana in Mahi and Flexi-wage. The increase in total expenditure since 2019/2020 has not flowed through to the other effectiveness categories, with increases being small in both absolute and relative terms. The exception to this trend was the increase in expenditure in the negative category and was caused by increased funding in Flexi-wage Self-Employment (\$12.3 million).

Figure 3: Effectiveness rating of EA expenditure by financial year



a, These results cover all EA interventions irrespective of funding source, for this reason, the expenditure reported here is higher than reported in MSD's annual report EA effectiveness performance measure that covers interventions funded through the Improved Employment and Social Outcomes Support MCA.

b, Expenditure is in nominal dollars (not CPI-adjusted).

Source: Ministry of Social Development and Statistics New Zealand Integrated Data Infrastructure, June 2022.

Table 2 shows the main changes in effectiveness rating by intervention and financial year. Changes in the rating of larger interventions, such as Foundation Focused Training and Vacancy Placement Full time noted earlier, help explain the overall shifts in the expenditure by effectiveness rating over this period as shown in Figure 3.

Table 2: Timeline of key changes to EA expenditure by effectiveness rating

Intervention	Rating From	Rating To
Financial Year: 2012/2013		
Foundation Focused Training (\$55.1m)	No difference	Mixed
Flexi-wage (\$29m)	-	Mixed
Youth Service (NEET) (\$18.5m)	-	Negative/Likely negative
Limited Services Volunteer (\$7.8m)	Negative/Likely negative	Mixed
Financial Year: 2013/2014		
Flexi-wage (\$35.9m)	Mixed	Effective/Promising
Financial Year: 2014/2015		
Foundation Focused Training (\$23.4m)	Mixed	-
Vacancy Placement Full time (\$10.8m)	Effective/Promising	Mixed
Financial Year: 2015/2016		
Vacancy Placement Full time (\$9.3m)	Mixed	Effective/Promising
Financial Year: 2016/2017		
Employment Participation and Inclusion services (\$31.7m)	-	Effective/Promising
Vocational Services Employment (\$31.6m)	Effective/Promising	-

Values are nominal (not CPI-adjusted). Only showing interventions with more than \$4 million in expenditure. Dash (-) indicates the intervention either did not exist previously or ended in the reference year.

Sources: Ministry of Social Development & Statistics New Zealand Integrated Data Infrastructure, June 2022.

Employment Assistance intervention performance in 2021/2022

Table 3 shows effectiveness ratings for EA interventions funded in the 2021/2022 financial year. For detailed results on individual interventions, refer to the Employment Assistance Evidence Catalogue (ea.analytics.msd.govt.nz).

Effective/Promising (\$297 million)

Effective and promising EA interventions have overall positive impacts across one or more of the five main outcome domains. We can categorise effective/promising EA interventions into five broad types.

Job placement interventions

These include in-house work brokers (Vacancy Placement Full time, \$10.6 million and Part-time, \$1.9 million) and contracted out work brokerage services (Employment Placement or Assistance Initiative, \$31.7 million), hiring subsidies (Flexi-Wage, \$81.5 million), on the job training (Mana in Mahi, \$33.0 million) and training for pre-determined employment (Skills for Industry, \$48.6 million). We need to acknowledge that while job placement interventions are effective for participants, they can have negative impacts on non-participants⁸ that we have not considered in this analysis.

Table 3: EA interventions by effectiveness rating in 2021/2022

Effective/Promising	Mixed/No difference/Negative
EFFECTIVE (\$152.5m) Employment Participation and Inclusion services (\$33.8m) Mana in Mahi (\$33.0m)** Employment Placement or Assistance Initiative (\$31.7m) Training Incentive Allowance (\$13.0m)** Jobseeker Support Work Ready 52-week benefit reapplication (\$13.0m) Vacancy Placement Full time (\$10.6m) Youth Service (YPP) (\$6.7m) Work Preparation Services (\$6.4m) Job Search Initiatives (\$2.2m) Vacancy Placement Part time (\$1.9m)	MIXED (\$8.6m) Limited Services Volunteer (\$8.6m)
PROMISING (\$144.5m) Flexi-wage (\$81.5m)** Skills for Industry (\$48.6m) Youth Service (YP) (\$12.2m) Work to Wellness (\$1.2m) Training for Work (\$1.0m)	NO DIFFERENCE (\$9.6m) Course Participation Assistance (\$2.4m) New Initiative (\$2.0m) Work Confidence (\$1.8m) Business Training and Advice Grant (\$1.4m) Activity in the Community (\$1.0m) Be Your Own Boss (\$0.4m) In-Work Support (IWS) trial (\$0.3m)* Health Interventions (\$0.2m) Work Experience (\$0.1m)
	NEGATIVE (\$25.2m) Youth Service (NEET) (\$12.9m)** Flexi-wage Self-Employment (\$12.3m)**

- a. Values are nominal (not CPI-adjusted). Because of rounding, subcategories may not add up exactly to total values in the table.
- b. Interventions with less than \$100,000 of expenditure in the financial year are suppressed.
- c. These results cover all EA interventions irrespective of funding source, for this reason, the expenditure reported here is higher than reported in MSD's annual report EA effectiveness performance measure that covers interventions funded through the Improved Employment and Social Outcomes Support MCA.
- d. Interventions being evaluated *: non-impact evaluation, **: impact evaluation, see Appendix 3 for expected reporting dates.

Sources: Ministry of Social Development & Statistics New Zealand Integrated Data Infrastructure, June 2022.

Work obligation focused interventions

These are interventions that use work obligation requirements to ensure that people are actively seeking employment. This group includes the 52-week

⁸ These are substitution (a participant takes a vacancy that would have been filled by someone else) and displacement (subsidised labour reduces employment among competing firms).

reapplication for Jobseeker Support Work Ready (\$13.0 million)⁹ and the pre-benefit seminar WRK4U (ended in October 2019).¹⁰

However, these results are based only on the impact on independence from employment and income assistance;¹¹ we have not yet estimated the impact of these interventions on other outcome domains such as employment and income.

Short-term training courses

Training for Work (\$985,000) contracts short duration training courses for people who are likely to be on a main benefit long term. This contrasts with earlier longer-term contracted training programmes such as Training Opportunities (ceased 2010) and Foundation Focused Training (ceased 2014) where performance was more variable.

Financial support for study

In addition to contracted training, a number of EA interventions provide financial support to people to undertake study in the general education sector. Both the Training Incentive Allowance (\$13.0 million) and Course Participation Assistance (\$2.4 million) show positive impacts.

However, we note that while this assistance reduces the financial cost of studying, being eligible for this assistance may not be the main reason to undertake this study in the first place. To put this another way, participation in the programme may occur *after* the participant has decided to take up study. Therefore, positive impacts reported here could partly reflect the higher motivation to start study from participants than those in the comparison group.

Employment support for disabled people and people with health issues

Employment Participation and Inclusion services (\$33.8 million), previously Vocational Services Employment, has shown improved effectiveness over time, with positive impacts on income and income support payments from 2012 onwards in addition to the long-standing positive impact on employment.

⁹ The 52-week reapplication processes were paused between March 2020 and March 2021 in response to COVID-19.

¹⁰ The WRK4U intervention ceased operating in October 2019, while 52-week reapplications were suspended from March 2020 in response to the COVID lockdown and restarted in March 2021.

¹¹ No longer receiving a main benefit (eg Jobseeker Allowance, Sole Parent Support or Supported Living Payment) or receiving employment assistance, such as wage subsidies that mean people are off main benefit but still receiving assistance.

Mixed (\$8.6 million)

Mixed interventions have both positive and negative impacts. A common pattern for interventions in this group is to increase the time in employment and also increase net income. However, the increased time in employment often results in less time spent in education or training by the participants relative to the comparison group. A secondary impact of less time in study is that participants tend to gain qualifications at a lower rate than the comparison group.

We have not determined whether a negative impact on the rate of qualification gained reduces a participant's longer-term outcomes. Positive long-term impacts on net-income suggests the return from increased employment exceeds any cost from having lower qualifications.

The Limited Services Volunteer (LSV) programme (\$8.6 million) was the only intervention with a mixed rating in 2021/2022.

No difference (\$9.6 million)

Interventions with a no difference rating are mostly small scale (ie with fewer than 4,000 participants a year). For these interventions, the small number of participants means it is difficult to identify whether or not the intervention has had a positive impact on outcomes.

Likely negative and Negative (\$25 million)

At present there are two types of interventions that show negative impacts on participants' outcomes: youth transition services and self-employment subsidy programmes.

Youth Transition Services

The Youth Service (NEET) targets young people transitioning from school who are at risk of not participating in education, training, or employment. Initial analysis by The Treasury (Dixon & Crichton, 2016) found it did achieve the goals of increasing education retention and increasing NZQF Level 2 qualifications gained. However, these did not translate into improvements in later outcomes. The updated analysis for this report confirms these earlier findings, with Youth Service (NEET) having either no significant impact or negative impact on all five outcome domains.

These results apply to the service before the most recent contract round that began in January 2020. The new contract involved changes in both the service's design and the providers delivering the service. We will continue to monitor the

effectiveness of the Youth Service (NEET) in response to these changes. But, because of the elapsed time needed to track the outcomes of the post-2020 participants, it is unlikely that we can report on the effect of the 2020 changes until the 2022/2023 report.

Self-employment subsidy programmes

Self-employment financial assistance (Flexi-wage Self-employment, \$12.3 million) had a negative impact on net income and made no significant difference to the time in employment (including self-employment). An earlier self-employment subsidy programme called Enterprise Allowance also significantly reduced net income and made no significant difference to the time in employment over a 16 year follow up period. The negative impact for self-employment assistance on income may reflect the tax efficiency of self-employment relative to receiving wages or salary.

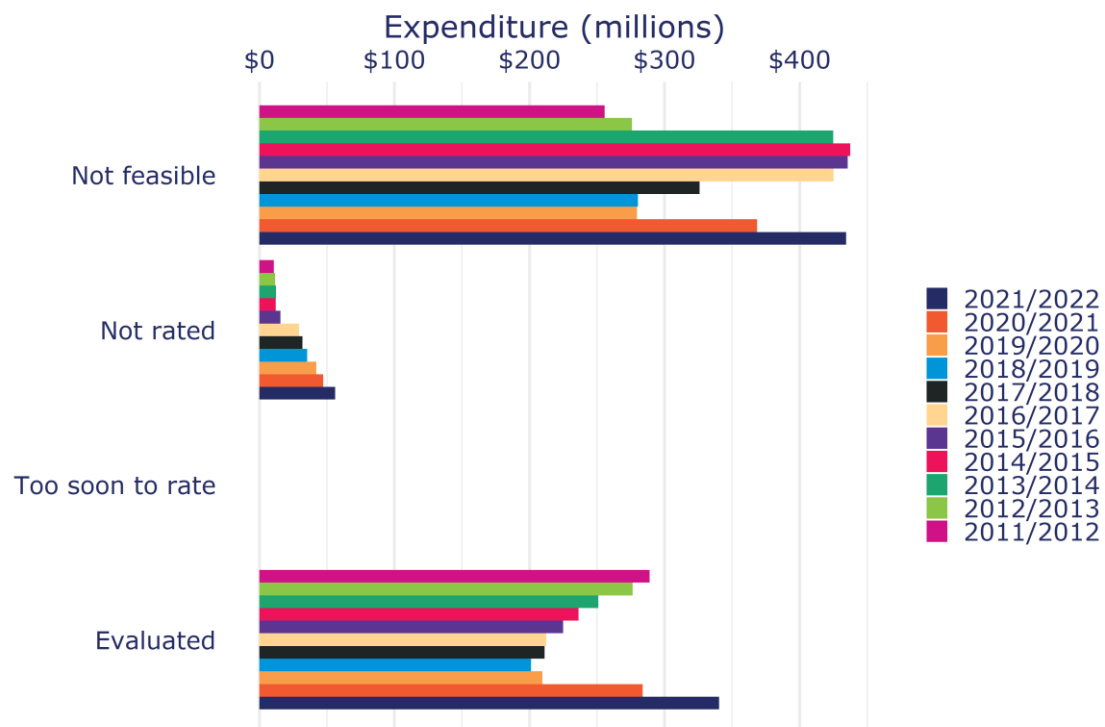
Under the Flexi-wage Expansion that started in 2021, the Ministry increased the amount payable each week and contracted providers to deliver a mix of pastoral care, mentoring and business support needed to help people to start their own business. We will continue to monitor Flexi-wage Self-employment to see if these changes translate to improvements in its effectiveness.

Not rated interventions (\$491 million)

In this section of the report, we examine the overall trend in EA expenditure by whether it has an effectiveness rating or not as shown in Figure 4.

Of the total expenditure on EA interventions, the amount given an effectiveness rating decreased from 2010/2011 through to 2018/2019. The variation in interventions considered not feasible was largely because of the expansion in in-house case management over the 2013/2014 to 2017/2018 period. The COVID response saw an expansion in funding for both feasible and non-feasible EA interventions from 2019/2020.

Figure 4: EA intervention expenditure by rating status



a, These results cover all EA interventions irrespective of funding source, for this reason, the expenditure reported here is higher than reported in MSD's annual report EA effectiveness performance measure that covers interventions funded through the Improved Employment and Social Outcomes Support MCA.

b, Expenditure is in nominal dollars (not CPI-adjusted).

Source: Ministry of Social Development, June 2022.

Table 4 breaks down the unevaluated EA intervention expenditure by reason for the 2021/2022 financial year. There are two broad reasons for not having an effectiveness rating for an intervention: (i) not feasible and (ii) not rated.

Not feasible (\$435 million)

These are interventions implemented in such a way that it is not currently possible to estimate the difference they make. A not feasible assessment does not rule out the possibility of evaluating the impact of these interventions in the future. However, to do so would require a dedicated evaluation design. Such designs would either involve some form of randomisation or a change to the delivery of these interventions.

Below are the broad reasons why it is not currently possible to evaluate a given intervention's effectiveness. Table 6 in Appendix 1 provides specific explanations for each intervention listed in Table 4.

Table 4: EA interventions not rated for effectiveness in 2021/2022

Not feasible	Not rated
NOT FEASIBLE (\$434.5m) Childcare Subsidy (\$166.8m) Employment related case management (\$122.0m) Transition to Work Grant (\$30.8m) \$5k to Work (\$30.1m) OSCAR Provider Assistance (\$24.7m) OSCAR (subsidy) (\$18.3m) Mayors' Taskforce for Jobs (\$13.5m) Māori Trades and Training Fund (\$11.9m)* In Work Support (\$6.6m) Work Bonus (\$4.2m) Education to Employment Brokerage Service (\$3.0m)* Regional Economic Development (\$1.0m) Seasonal Work Assistance (\$1.0m) Flexible Childcare Assistance (\$0.4m) New Employment Transition Grant (\$0.2m)	NOT RATED (\$56.1m) He Poutama Rangatahi (\$21.1m)** Sole Parent Support 52-week reapplication (\$7.5m) Jobseeker Support Health Condition or Disability 52-week reapplication (\$7.0m) Oranga Mahi - Here Toitū (\$3.8m)** Oranga Mahi - IPS DHBs (\$2.7m)** Driver licence programmes (\$2.4m)** Flexi-wage Project in the Community (\$2.0m) New Zealand Seasonal Work Scheme (\$1.5m) Direct Career Service (\$1.3m) Supporting Offenders into Employment version 2 (\$1.2m)* CadetMax (\$0.8m) He Poutama Taitamariki (\$0.8m)** Oranga Mahi - Take Charge (\$0.7m) Flexi-wage Retention (\$0.6m) Oranga Mahi - Rākau Rangatira (\$0.4m)* Mainstream Employment Programme (\$0.4m) Mainstream Internship Programme (\$0.4m) Oranga Mahi - REACH (\$0.3m)* Self Employment Initiative (\$0.2m) Creative Careers Service (\$0.2m)* Flexi-wage Next Step (\$0.2m) Mainstream Paid Work Experience Programme (\$0.2m) Information Services Initiative (\$0.2m) Prisoner Reintegration programme (\$0.1m)

- a. These results cover all EA interventions irrespective of funding source, for this reason, the expenditure reported here is higher than reported in MSD's annual report EA effectiveness performance measure that covers interventions funded through the Improved Employment and Social Outcomes Support MCA.
- b. Values are nominal (not CPI-adjusted). Because of rounding, subcategories may not add up exactly to total values in the table.
- c. Interventions with less than \$100,000 of expenditure in the financial year are suppressed.
- d. interventions being evaluated *: non-impact evaluation, **: impact evaluation.

Source: Ministry of Social Development, June 2022.

Entitlement based interventions

Although most EA interventions are discretionary, there are some where entitlement is defined in law. The largest intervention in this group is Childcare Assistance (Childcare Subsidy¹², \$166.8 million, OSCAR Provider Assistance, \$24.7 million) where everyone who is eligible, and would like to use Childcare Assistance, can do so. As a result, there is no similar group of non-participating parents to compare against the participants. We also do not have a historical comparison group, as childcare assistance has been available since before our administrative records began in 1993.

It may be possible to examine the effectiveness of childcare assistance indirectly through an information campaign where one group is given information about their entitlement, and another is not. By comparing the two

¹² Includes the OSCAR (Out of School Care and Recreation) subsidy.

groups, we could see if the information (i) increases take-up and, if take-up does increase, (ii) what impact this has on subsequent outcomes.

Difficult to identify counterfactual group

Several interventions occur during a transition period (ie from benefit to work) or natural disasters. Here we run into the problem of identifying the potential participant population to draw a convincing comparison group from. For example, many interventions that assist with the transition to employment (eg Transition to Work Grant, \$30.8 million) are often provided in anticipation of an exit. Alternatively, in the case of Work Bonus (\$4.2 million), the bonus is only paid if the participant achieves the contracted outcome. Under these conditions, it is difficult to identify the equivalent population that is in the same transition state but did not participate in the intervention.

Another set of interventions try to increase the range of job opportunities available to people on income support. For example, \$5k to Work (\$30.1 million) enables people to move locations to take up employment outside their immediate labour market. Here the effect of the intervention is on those *eligible* to receive the assistance. However, because take-up is low, it would be difficult to identify the impact of these types of interventions, even with the best available methods.

Low cost and frequent interventions

MSD Service Delivery runs many short duration and frequent interventions, such as job search seminars or employment related case management (\$122.0 million). Showing the individual impact of these interventions is difficult for two reasons. First is that the individual effect of each seminar or interview attendance is expected to be small. The second reason is that, because of the wide coverage, we again run into the issue of a plausible comparison group, as non-participants are often 'unusual' in some way.

The strategy to overcome this problem has been to evaluate these interventions as part of case management (CM) services, see de Boer (2019). For example, frequent job search seminars were part of the Work Search Support (WSS) service. Here we estimated the impact of being assigned to WSS (participating in frequent seminars) to an equivalent group of people assigned to other CM services and who did not participate in these seminars. Similarly, de Boer (2019) evaluated the impact of more intensive case management services such

as Work Focused Case Management (WFCM) on participants' time off main benefit.¹³

However, because CM services comprise a combination of case management time and discrete EA interventions, this evidence cannot be used to identify whether employment related case management is effective on its own. Instead, the evidence on CM services points to the effectiveness of a range of employment assistance working in combination.

Unable to identify the individuals who receive assistance

In some cases there is insufficient information available to identify who participated in an intervention. This often occurs where the referral process is managed by contracted providers without an agreement or robust system to provide individual level participation data to MSD. Māori Trades and Training Fund (\$11.9 million) and Mayors' Taskforce for Jobs (\$13.5 million) are examples where payments are made to employers and NGOs to assist up-skilling of participants. However, to enable evaluation of their effectiveness, MSD would require providers to supply identifiable information about these participants.

Strong selection on unobserved characteristics

The final set of interventions that are currently unfeasible to rate are those where we consider that there is strong selection on unobserved characteristics (eg motivation, attitude, social support). Selection on unobservable characteristics means we are unsure whether any subsequent differences in outcomes between participants and a comparison group is because of the intervention or because of prior uncontrolled differences between the two groups.

For example, the Sustainable Employment Trial is for people on Supported Living Payment (SLP)¹⁴ wanting to try working more than 15 hours a week for a six-month period. In this example, we cannot reliably identify the underlying motivation as to why an individual on SLP would decide to increase their hours of work. The only way to robustly estimate the impact of these types of interventions is to run a Randomised Control Trial.

¹³ WSS and WFCM services ended in July 2020.

¹⁴ For people with a long-term health condition or disability that prevents them from working. People on SLP are not allowed to work more than 15 hours a week.

Not rated (\$56 million)

The remaining expenditure includes EA interventions that we can feasibly evaluate, but we have not done so at this time. The spend in this category is higher than normal because of delays in completing the impact analysis brought on by the COVID lockdown. Specifically, lockdown limited the time researchers could work in the Statistics New Zealand data labs. Affected interventions included Oranga Mahi initiatives (\$7.9 million) and Driver licence programmes (\$2.4 million), which were to be included in this year's report.

Effectiveness by intervention type

Here we show the effectiveness rating by the type of EA intervention. In this section, we broaden our scope to include all EA interventions delivered by MSD, not just those delivered in 2021/2022 (Table 5).

We have information on 300 individual EA interventions and case management services operating between 1990 and 2018. These range from large interventions, such as Training Opportunities (\$80 million pa, 1991-2009) through to small local pilots running for a couple of months. We group these interventions into broad categories reflecting how the intervention is expected to help improve participants' outcomes. For example, training programmes aim to increase participants' skills or qualifications to help improve their chances of gaining employment.

Table 5: Effectiveness of employment assistance intervention by type

Intervention type	Total	Rated	Effective/ Promising	Mixed	No difference	Likely negative/ Negative
Case Management	71	12	58%	8%	16%	16%
Community Development	8	1	-	-	-	100%
Information Services	13	1	-	100%	-	-
Health Interventions	7	2	50%	-	50%	-
Work Confidence	22	3	33%	33%	33%	-
Vocational Services	2	2	100%	-	-	-
Training	22	9	44%	33%	11%	11%
Work Obligations	14	2	100%	-	-	-
Job Search	23	6	100%	-	-	-
Work Experience	28	10	50%	20%	10%	20%
Job Placement	45	20	60%	20%	5%	15%
Work Transition	20	1	-	-	100%	-
Work Retention	16	-	-	-	-	-
Other	9	2	100%	-	-	-
Total	300	71	59%	16%	11%	12%

Note the percentage values are based on the number of rated interventions. Due to rounding, percentage values may not add up to 100%.

Sources: Ministry of Social Development & Statistics New Zealand Integrated Data Infrastructure, June 2022.

Table 5 shows that of the 300 interventions that we have information on, we can rate the effectiveness of 71 (23.7%). Alongside the overall low coverage, we also see substantial gaps in our knowledge of the effectiveness for some intervention types. For example, we have only one or two studies on the effectiveness of interventions designed to help with transitioning to and retaining employment.

Note that the percentage values for each rating in Table 5 are based on a relatively small number of observations. Small samples mean the proportional mix of intervention effectiveness may show substantial shifts in future updates to this analysis.

Job placement and case management services are generally effective

Interventions that tend to improve participants' outcomes are concentrated around case management and job placement. However, for job placement programmes this optimistic assessment has to be balanced by consideration of the negative effects these interventions can have on non-participants through substitution or displacement effects.

Case management services either include staff working with specific groups of people, contracting out case management to external providers, or lowering caseloads to enable staff to have more time with individuals on their case load.

People on sole parent-related benefits appeared to benefit most from case management services. On the other hand, two of the three case management services rated as negative target young people transitioning from school to education training or employment (Youth Transitions Service, Youth Service (NEET)).

Variable effectiveness ratings for work experience, job search and information services interventions

Intervention types with a range of effectiveness ratings include work experience programmes and information services. When we look in more detail at these intervention types, we find that work experience with private sector firms is more likely to be rated as effective. On the other hand, community or environmental placements where participants remain on benefit tend not to be effective. For information services and job search type interventions, it is less clear what differentiates those that are effective from those that are not.

Work confidence has modest effects

Work confidence interventions (which are intended to improve a participant's confidence and motivation) have modest impacts, with two-thirds either having mixed or making no difference to participants' outcomes.

Work obligations results apply only to off main benefit outcomes

The evidence on work obligations (interventions that ensure people are actively looking for work) is small relative to the number of interventions. Also, we currently only have evidence of the impact of these interventions on off main benefit outcomes. An important gap in our evidence is on the impact of these interventions on wider outcomes such as employment and net income.

Training interventions are showing better performance

The evidence on the effectiveness of training programmes indicates more recently contracted training programmes, such as Training for Work, are more effective than earlier versions such as Training Opportunities, Foundation Focused Training and Skills Training. On the other hand, the effectiveness of Training Incentive Allowance appears to have decreased over the last 14 years and is likely to be linked to changes in the scope of the programme over the same period.¹⁵

¹⁵ In 2010 the eligibility for TIA was reduced to courses at NZQF Level 3 and below (high school level), in January 2021 eligibility was increased back to NZQF Level 7 (undergraduate courses).

Appendix 1: Effectiveness rating

We categorise the EA interventions based on whether the intervention had a positive impact¹⁶ on participants' outcomes across five domains.

Outcome domains

The effectiveness of each EA intervention is assessed against a range of outcome domains. Depending on the intervention, we can measure the effectiveness on one or more of these domains. The impact rating for each outcome domain is based on the impact of the intervention on one outcome measure for each domain. Each outcome measure was selected because we believe it best represents the outcome domain across all interventions.

The outcome domains include:

- **Income:** intervention is rated as effective if it increases net income from all sources including income support, tax credits and study assistance. Therefore, this measure accounts for both any loss of income from government assistance, as well any earning gains through movement into employment.
- **Employment:** intervention is rated as effective if it increases the time spent in paid employment. This measure includes increases in employment while still on main benefit.
- **Justice:** intervention is rated as effective if it reduces the time participants spend in corrections services (ie prison, community service, remand, home detention).
- **Qualifications:** intervention is rated as effective if it increases the average of the highest qualification held. Highest qualification is based on NZQF levels from 1 through to 9. Therefore, an impact of NZQF 1 would mean participants had increased their highest NZQF level by an average of 1 level (eg from 2.4 to 3.4).
- **Study:** intervention is rated as effective if it increases the time participants spend enrolled in education or training. Note that being enrolled doesn't necessarily mean a person is attending the course (eg they may have dropped out).
- **Welfare:** intervention is rated as effective if it reduces the time participants receive a main benefit (eg unemployment, sole parent or

¹⁶ Impact in this report means the change in outcomes for people receiving the intervention relative to a similar group of people who do not participate.

health or disability benefits) and receiving employment assistance (eg on a wage subsidy programme).

Effectiveness

By effectiveness, we mean whether an intervention improves participant outcomes relative to the counterfactual (ie the outcomes participants would have had if they had not participated). In the current analysis, we assess effectiveness based on the impact of the intervention on one or more outcome domains. However, we cannot assess the effectiveness of all interventions and the reason for not doing so is also reflected in the ratings.

Our analysis of the impact of employment interventions focuses on five outcome domains. These domains broadly reflect the intended medium- and long-term objectives of employment interventions. The rating shows the desired direction of impact. The ratings are described as follows:

- **Effective:** the intervention has a statistically significant positive impact on one or more primary outcomes (eg income, employment, justice, qualifications or independence from welfare) **and** no evidence of a negative impact on any primary outcome.
- **Promising:** the trend in impacts indicates the intervention is expected to have a significant positive overall impact in the medium-to-long term. Also, we rate interventions as promising if we cannot evaluate the intervention directly, but where we have a similar intervention rated as effective.
- **Mixed:** the intervention has both positive and negative impacts on primary outcomes. The most common case is where an intervention increases employment but has a negative impact on welfare.
- **No difference:** the intervention makes no statistically significant difference for any of the primary outcomes. For smaller interventions, this may reflect insufficient statistical power to detect a meaningful impact and these impacts may become significant when an intervention has more participants.
- **Likely negative:** trends indicate the intervention will have a negative impact on one or more primary outcomes and there is no evidence of a positive impact on any other primary outcome in the medium- to long-term.
- **Negative:** the intervention has a statistically significant negative impact on one or more primary outcomes **and** no evidence of a positive impact on any primary outcome.

- **Too soon to rate:** there has not been enough time to observe the impact of the intervention. Typically, we do not rate an intervention until we have two years of outcome data available.
- **Not rated:** we have not rated the effectiveness of the intervention at this time.
- **Not feasible:** it is not considered feasible to estimate the impact of an intervention based on current data or available methods (ie would require some type of randomised control trial to robustly identify what impact an intervention has).

Interventions where it is currently not feasible to estimate their effectiveness

Before looking at the results of interventions with an effectiveness rating, Table 6 lists the EA interventions funded after the 2009/2010 financial year that were not feasible to evaluate and summarises the reason for this assessment.

Table 6: Explanation for not feasible rating by intervention

Intervention	Reason
\$5k to Work	Finding the impact of \$5k to Work is difficult for two reasons. The first is that all job seekers are eligible to receive it. The second is that the take-up rate of the payment is low. Together this means the influence of \$5k to Work on the outcomes of the target group is small. It may be possible to assess the programme effectiveness by randomising eligible job seekers into a treatment group who are told about \$5k to Work and a control group who are not. This design would indicate the optimal take-up rate and, if this rate is high enough, it may be able to detect the impact on outcomes relative to the control group. However, this would require very large treatment and control groups (in the 10,000s) to detect the likely effect of the incentive payment.
Childcare Subsidy	The Childcare Subsidy programme is both a legal entitlement and has been available since 1983. Under these conditions, it is not possible to identify a convincing comparison group of parents who did not take up the Childcare Subsidy. It may be possible to estimate the impact of the Childcare Subsidy on non-participating parents through a Zelen RCT (ie an information campaign about the subsidy to a randomly selected group of non-participating eligible parents). Such a study would show the impact of the Childcare Subsidy on non-participating eligible parents only and not the average impact across all families using the subsidy.
Earthquake Support Subsidy	Because the subsidy was paid during a natural disaster it is difficult to identify a suitable comparison group subject to similar conditions but who were not eligible for the subsidy. A practical issue is that the subsidy was paid to employers and we have not yet been able to identify which individual employees received the subsidy.
Education to Employment Brokerage Service	Impact evaluation of Education to Employment Brokerage Service is currently assessed as not feasible because it will be difficult to isolate the influence of career advice and information support on students' outcomes from all the other factors that influence their career pathways.
Employment Workshop	Because of their high frequency, wide coverage and likely small impact, it was not feasible to estimate the impact of attending an individual Employment Workshop.

Intervention	Reason
Flexible Childcare Assistance	Flexible Childcare Assistance aims to incentivise eligible sole-parents to start employment during non-standard hours. But because of the low take up rate that dilutes the effect of the programme across many non-participants, we do not consider it feasible to estimate the impact of Flexible Childcare Assistance. It may be possible to estimate the impact through an invitation to treat RCT (ie an information campaign to eligible sole parents). But take up would need to be high to confidently detect any impact of Flexible Childcare Assistance through this design.
IB Employment Trial	We do not consider it possible to estimate the impact of the IB Employment Trial because it is subject to strong selection effects. In particular, the policy encourages people on long-term health condition and disability benefits to start employment. But we are not confident we have sufficient information to separate out those who are likely to move into work from those who are unable to move into employment at all. Accordingly it is difficult to identify a suitable comparison group with the same likelihood of moving into employment as the participants.
In Work Support	Without some type of randomised design, it is not feasible to estimate the impact of In Work Support because it is very difficult to identify a convincing comparison group at the same transition point into employment as the participants, who did not receive the intervention.
Māori Trades and Training Fund	Cannot identify those who participated in the Māori Trades and Training Fund to assess effectiveness.
Mayors' Taskforce for Jobs	The 2020 MTFJ was a bulk grant to local councils, MSD does not have information on the individual participants supported through the programme. For this reason, it is not feasible to evaluate the impact of MTFJ on participants' outcomes.
Mental Health Co-ordination	Insufficient information on the design of the intervention.
Migrant Employment Assistance	Unreliable participant data.
New Employment Transition Grant	Because the New Employment Transition Grant is available for people who are off main benefit and is paid out in specific circumstances it is difficult to identify a convincing comparison group to estimate the effectiveness of this grant.
OSCAR (subsidy)	The OSCAR subsidy programme is a legal entitlement and has been available since 1996. Under these conditions it is not possible to identify a convincing group of parents who did not take up the OSCAR subsidy. It may be possible to estimate the impact of the OSCAR subsidy on non-participating parents through an invitation to treat RCT (ie an information campaign to eligible parents).
OSCAR Provider Assistance	OSCAR Provider Assistance works indirectly to increase the supply of OSCAR providers. Currently we do not have time series information on the level or coverage of OSCAR providers to be able to identify whether the OSCAR Provider Assistance has increased the level of OSCAR services.
Pre-Employment Drug Testing	Legislative requirements would make running an RCT ethically difficult (ie applying work obligations based on randomisation)
Recruitment Seminar	Because of their high frequency and likely small impact it was not feasible to estimate the impact of attending an individual Recruitment Seminar.
Regional Economic Development	Insufficient information on the design of the intervention.

Intervention	Reason
Seasonal Work Assistance	It is not currently feasible to estimate the effectiveness of this programme as it is very difficult to identify the target group (people who are thinking about moving into horticultural work) to identify whether the availability of the payment has increased movement into horticultural jobs. A secondary impact that could be examined is whether the Seasonal Work Assistance reduced the probability of horticultural workers returning to main benefit in response to poor weather before and after the introduction of the programme in 2002.
Supported Living Payment Opt In Service	It is currently not feasible to estimate the impact of this case management service, as we are not confident we can identify a suitable comparison group based on the information that we can observe about those who are eligible to participate. To determine the effectiveness of this service would require some type of randomised controlled trial (RCT).
Sustainable Employment Trial	We do not consider it possible to estimate the impact of the Sustainable Employment Trial because it is subject to strong selection effects. In particular, the policy encourages people on long-term health condition and disability benefits to start employment. But we are not confident we have sufficient information to separate out those who are likely to move into work from those who are unable to move into employment at all. Accordingly it is difficult to identify a suitable comparison group with the same likelihood of moving into employment as the participants.
Transition to Work Grant	It is not feasible to estimate the impact of Transition to Work Grant without some type of randomised design, as it is very difficult to identify a convincing comparison group at the same transition point as the participants, but who did not receive the grant. In addition, Transition to Work Grant can be paid in anticipation of an exit to work, making confounding a significant problem with this intervention. Confounding means that participation occurs in anticipation of a future outcome that is unobserved by the evaluators.
Work and Income Seminar	Because of their high frequency and likely small impact it was not feasible to estimate the impact of attending an individual Work and Income Seminar.
Work Bonus	It is not feasible to estimate the impact of Work Bonus without some type of randomised design, as it is very difficult to identify a convincing comparison group at the same transition point as the participants, but who did not receive the intervention.
Young Parent Childcare	Young Parent Childcare programme was a legal entitlement. Under these conditions it is difficult to identify a convincing comparison group of teen-parents who did not take up the Young Parent Childcare.
Youth Seminar	The impact of individual Youth Seminars is difficult to isolate because the attendance at any one seminar is likely to have a small effect on future outcomes. In addition, high participation rates among those eligible make it difficult to identify a suitable comparison group who did not participate.

Appendix 2: Effectiveness expenditure trends

The following tables break down the trends in expenditure for each of the effectiveness ratings by intervention type for the last five financial years. The table shows the annual change in expenditure from the baseline year (2017/2018).

Interventions with an effectiveness rating

Table 7 shows the change in expenditure for interventions with an effectiveness rating. From 2017/2018 to 2019/2022 there was a decrease in expenditure in this category. However, the COVID response has reversed this trend over the last two financial years.

Table 7: Change in expenditure on EA interventions with an effectiveness rating

Intervention	17/18	18/19	19/20	20/21	21/22
	Baseline	Change relative to baseline			
Business Training and Advice Grant	\$0.2	\$-0.0	\$0.0	\$0.1	\$1.2
Course Participation Assistance	\$3.3	\$0.3	\$0.1	\$0.2	\$-0.9
Employment Participation and Inclusion services	\$35.2	\$-4.0	\$-5.2	\$-2.0	\$-1.4
Employment Placement or Assistance Initiative	\$23.4	\$-8.2	\$-3.8	\$4.5	\$8.4
Flexi-wage	\$31.6	\$-4.4	\$-6.8	\$10.3	\$49.9
Flexi-wage Self-Employment	\$1.9	\$-0.0	\$0.1	\$2.7	\$10.4
Health Interventions	\$1.1	\$-0.7	\$-0.8	\$-0.8	\$-1.0
Job Search Initiatives	\$0.8	\$-0.6	\$-0.7	\$-0.6	\$1.4
Jobseeker Support Work Ready 52-week benefit reapplication	\$9.0	\$-1.5	\$-2.0	\$-6.6	\$4.0
Limited Services Volunteer	\$5.5	\$-0.0	\$4.3	\$5.0	\$3.1
Mana in Mahi	\$0.0	\$2.9	\$7.2	\$30.4	\$33.0
New Initiative	\$1.1	\$2.6	\$-1.1	\$4.2	\$0.9
Skills for Industry	\$22.2	\$7.5	\$18.1	\$34.1	\$26.4
Training for Work	\$13.9	\$-6.1	\$-8.7	\$-9.9	\$-13.0
Training Incentive Allowance	\$1.4	\$-0.1	\$-0.3	\$-0.2	\$11.7

Intervention	17/18	18/19	19/20	20/21	21/22
Vacancy Placement Full time	\$12.8	\$-2.0	\$-1.7	\$-2.0	\$-2.1
Vacancy Placement Part time	\$3.3	\$-0.3	\$-0.3	\$-0.9	\$-1.3
Work Confidence	\$0.5	\$-0.3	\$0.3	\$2.3	\$1.3
Work Focused Case Management ICS	\$0.0	\$1.7	\$1.2	\$1.0	\$0.0
Work Preparation Services	\$5.2	\$6.2	\$3.0	\$5.9	\$1.2
Work to Wellness	\$1.6	\$0.2	\$-0.1	\$-1.0	\$-0.4
WRK4U	\$4.2	\$-0.8	\$-3.6	\$-4.2	\$-4.2
Youth Service (NEET)	\$16.0	\$-0.6	\$-0.4	\$-4.4	\$-3.1
Youth Service (YP)	\$8.1	\$-0.5	\$0.5	\$3.9	\$4.1
Youth Service (YPP)	\$6.3	\$-0.5	\$0.1	\$1.2	\$0.4
Total	\$211.2	\$-10.1	\$-1.6	\$72.7	\$129.3

a. Dollars are nominal and expressed in millions. Only interventions with more than \$1 million of expenditure in any of the financial years are shown in the table.

b. Because of rounding, subcategories may not add up exactly to total values in the table.

Sources: Ministry of Social Development & Statistics New Zealand Integrated Data Infrastructure, June 2022.

Not rated interventions

Table 8 shows the change in expenditure for interventions without an effectiveness rating. There was a noticeable increase in not rated interventions in 2017/2018 that corresponded to the increase in Employment related case management and \$5k to Work. These increases have, in part, been offset by the fall in expenditure on interventions such as the Childcare Subsidy.

Table 8: Change in expenditure on EA interventions without an effectiveness rating

Intervention	17/18	18/19	19/20	20/21	21/22
	Baseline	Change relative to baseline			
\$5k to Work	\$3.2	\$-0.4	\$-0.5	\$12.2	\$26.9
Childcare Subsidy	\$183.6	\$-12.9	\$-48.8	\$-46.4	\$-16.8
Direct Career Service	\$0.0	\$0.0	\$0.0	\$0.0	\$1.3
Driver licence programmes	\$1.1	\$0.7	\$0.7	\$2.4	\$1.3
Education to Employment Brokerage Service	\$0.0	\$0.0	\$1.5	\$3.8	\$3.0
Employment related case management	\$67.4	\$-25.1	\$9.8	\$52.8	\$54.6

Intervention	17/18	18/19	19/20	20/21	21/22
Flexi-wage Project in the Community	\$1.8	\$0.2	\$-0.1	\$0.5	\$0.2
He Poutama Rangatahi	\$1.0	\$7.0	\$13.2	\$13.9	\$20.1
He Poutama Taitamariki	\$0.0	\$0.9	\$0.5	\$1.1	\$0.8
In Work Support	\$1.0	\$-0.2	\$-0.1	\$3.7	\$5.6
Jobseeker Support Health Condition or Disability 52-week reapplication	\$5.8	\$-1.4	\$-2.4	\$-4.6	\$1.2
Mainstream Employment Programme	\$3.7	\$-0.0	\$-2.1	\$-2.4	\$-3.3
Māori Trades and Training Fund	\$0.0	\$0.0	\$0.0	\$3.7	\$11.9
Mayors' Taskforce for Jobs	\$0.0	\$0.0	\$0.4	\$11.8	\$13.5
New Zealand Seasonal Work Scheme	\$0.3	\$-0.3	\$-0.3	\$0.7	\$1.1
Oranga Mahi - Here Toitū	\$0.0	\$0.0	\$0.0	\$8.4	\$3.8
Oranga Mahi - IPS DHBs	\$0.3	\$0.2	\$0.6	\$1.9	\$2.4
Oranga Mahi - REACH	\$1.2	\$-0.9	\$0.0	\$0.1	\$-0.9
OSCAR (subsidy)	\$20.9	\$-1.5	\$-5.7	\$-5.2	\$-2.6
OSCAR Provider Assistance	\$20.0	\$-0.7	\$2.0	\$2.6	\$4.7
Pathways to Employment Red Cross	\$1.4	\$-0.1	\$1.0	\$1.2	\$-1.3
Regional Economic Development	\$2.1	\$-0.9	\$-0.7	\$-0.0	\$-1.1
Sole Parent Support 52-week reapplication	\$9.6	\$-3.1	\$-4.3	\$-8.4	\$-2.1
Supporting Offenders into Employment version 1	\$1.2	\$0.5	\$0.6	\$-1.0	\$-1.2
Supporting Offenders into Employment version 2	\$0.0	\$0.0	\$0.0	\$0.7	\$1.2
Transition to Work Grant	\$22.0	\$-2.0	\$-1.3	\$6.8	\$8.8
Work Bonus	\$1.8	\$-0.3	\$-0.4	\$-0.1	\$2.4
Total	\$357.9	\$-42.1	\$-36.0	\$57.9	\$132.9

a. Dollars are nominal and expressed in millions. Only interventions with more than \$1 million of expenditure in any of the financial years are shown in the table.

b. Because of rounding, subcategories may not add up exactly to total values in the table.

Sources: Ministry of Social Development & Statistics New Zealand Integrated Data Infrastructure, June 2022.

Effective and promising interventions

Table 9 shows the change in expenditure for interventions rated as effective or promising. Funding for a number of effective interventions decreased through to 2018/2019. From 2020/2021 we see a rapid increase in expenditure in this

category through expansion of Flexi-wage, Skills for Industry, Training Incentive Allowance as well as the introduction of new interventions such as Mana in Mahi in 2018/2019.

Table 9: Change in expenditure on EA interventions rated effective or promising

Intervention	17/18	18/19	19/20	20/21	21/22
	Baseline	Change relative to baseline			
Employment Participation and Inclusion services	\$35.2	\$-4.0	\$-5.2	\$-2.0	\$-1.4
Employment Placement or Assistance Initiative	\$23.4	\$-8.2	\$-3.8	\$4.5	\$8.4
Flexi-wage	\$31.6	\$-4.4	\$-6.8	\$10.3	\$49.9
Job Search Initiatives	\$0.8	\$-0.6	\$-0.7	\$-0.6	\$1.4
Jobseeker Support Work Ready 52-week benefit reapplication	\$9.0	\$-1.5	\$-2.0	\$-6.6	\$4.0
Mana in Mahi	\$0.0	\$2.9	\$7.2	\$30.4	\$33.0
Skills for Industry	\$22.2	\$7.5	\$18.1	\$34.1	\$26.4
Training for Work	\$13.9	\$-6.1	\$-8.7	\$-9.9	\$-13.0
Training Incentive Allowance	\$1.4	\$-0.1	\$-0.3	\$-0.2	\$11.7
Vacancy Placement Full time	\$12.8	\$-2.0	\$-1.7	\$-2.0	\$-2.1
Vacancy Placement Part time	\$3.3	\$-0.3	\$-0.3	\$-0.9	\$-1.3
Work Focused Case Management ICS	\$0.0	\$1.7	\$1.2	\$1.0	\$0.0
Work Preparation Services	\$5.2	\$6.2	\$3.0	\$5.9	\$1.2
Work to Wellness	\$1.6	\$0.2	\$-0.1	\$-1.0	\$-0.4
WRK4U	\$4.2	\$-0.8	\$-3.6	\$-4.2	\$-4.2
Youth Service (YP)	\$8.1	\$-0.5	\$0.5	\$3.9	\$4.1
Youth Service (YPP)	\$6.3	\$-0.5	\$0.1	\$1.2	\$0.4
Total	\$179.2	\$-10.7	\$-3.2	\$63.6	\$117.8

a. Dollars are nominal and expressed in millions. Only interventions with more than \$1 million of expenditure in any of the financial years are shown in the table.

b. Because of rounding, subcategories may not add up exactly to total values in the table.

Sources: Ministry of Social Development & Statistics New Zealand Integrated Data Infrastructure, June 2022.

Mixed, no-difference and negative interventions

Table 10 shows the change in expenditure for interventions rated as either mixed, no difference, likely negative or negative effectiveness rating. The overall upward trend is driven primarily though the expansion of Flexi-wage Self-Employment.

Table 10: Change in expenditure on EA interventions rated as having mixed, no-difference or negative rating

Intervention	17/18	18/19	19/20	20/21	21/22
	Baseline	Change relative to baseline			
Business Training and Advice Grant	\$0.2	\$-0.0	\$0.0	\$0.1	\$1.2
Course Participation Assistance	\$3.3	\$0.3	\$0.1	\$0.2	\$-0.9
Flexi-wage Self-Employment	\$1.9	\$-0.0	\$0.1	\$2.7	\$10.4
Health Interventions	\$1.1	\$-0.7	\$-0.8	\$-0.8	\$-1.0
Limited Services Volunteer	\$5.5	\$-0.0	\$4.3	\$5.0	\$3.1
New Initiative	\$1.1	\$2.6	\$-1.1	\$4.2	\$0.9
Work Confidence	\$0.5	\$-0.3	\$0.3	\$2.3	\$1.3
Youth Service (NEET)	\$16.0	\$-0.6	\$-0.4	\$-4.4	\$-3.1
Total	\$32.0	\$0.6	\$1.6	\$9.1	\$11.5

a. Dollars are nominal and expressed in millions. Only interventions with more than \$1 million of expenditure in any of the financial years are shown in the table.

b. Because of rounding, subcategories may not add up exactly to total values in the table.

Sources: Ministry of Social Development & Statistics New Zealand Integrated Data Infrastructure, June 2022.

Appendix 3: MSD evaluations of employment assistance interventions

Table 11 summarises the EA interventions currently being evaluated, the type of evaluation work and expected completion date.

Table 11: EA interventions being evaluated by MSD

Intervention	Evaluation	Completed by
Creative Careers Service	Process and outcomes evaluation	Early 2023
Driver licence programmes	Impact evaluation	Early 2023
Driver licence programmes (commercial)	Impact evaluation	Early 2023
Education to Employment Brokerage Service	Process evaluation	Early 2023
Flexi-wage	Impact evaluation	Mid 2023
Flexi-wage Self-Employment	Process and impact evaluation	Mid 2023
He Poutama Rangatahi	Process and impact evaluation	Mid 2023
He Poutama Taitamariki	Process and impact evaluation	Mid 2023
In-Work Support (IWS) trial	Rapid appraisal	Late 2022
Mana in Mahi	Process and impact evaluation	Mid 2023
Māori Trades and Training Fund	Process evaluation	Late 2023
Oranga Mahi - Here Toitu	Process and impact evaluation	Early 2023
Oranga Mahi - IPS DHBs	Process and impact evaluation	Early 2023
Oranga Mahi - Rakau Rangatira	Process evaluation	Mid 2023
Oranga Mahi - REACH	Process evaluation	Early 2023
Supporting Offenders into Employment version 2	Process evaluation	Early 2023
Training Incentive Allowance	Impact evaluation	Mid 2023
Youth Service (NEET)	Impact evaluation	Early 2023

Source: Ministry of Social Development, July 2022.

Appendix 4: MSD employment related appropriations

This section outlines the main appropriations used to fund employment assistance interventions. Table 12 compares the expenditure included in this report against the appropriation amount. In each financial year the table shows the appropriation amount in millions of dollars with the bracketed percentage figure the proportion of this expenditure included in the report.

Ideally we would want to achieve 100% cover for each employment related appropriation, but our cost-allocation model has not achieved this level of coverage, especially for the 2021/2022 financial year. Conversely, the Benefits or Related Expenses are over allocated with the appropriation share exceeding 100%. We plan to undertake further work to better align the allocation of intervention costs to the appropriation expenditure.

Table 12: Expenditure on EA intervention by appropriation

Appropriation	2018/2019	2019/2020	2020/2021	2021/2022
Benefits or Related Expenses				
Childcare Assistance	\$182.7 (101.9%)	\$143.8 (102%)	\$145.2 (102.1%)	\$131.9 (102.7%)
Training Incentive Allowance				\$8.8 (100%)
Departmental Output Expenses				
Improved Employment and Social Outcomes Support MCA:Administering Income Support	\$317.5 (11.6%)	\$352.6 (10%)	\$421.9 (3.4%)	\$478.2 (12.4%)
Improved Employment and Social Outcomes Support MCA:Improving Employment Outcomes	\$281.5 (79.5%)	\$305.1 (92.9%)	\$450.6 (93%)	\$593 (73.4%)
Improved Employment and Social Outcomes Support MCA:Improving Work Readiness Outcomes	\$91.3 (93.2%)	\$92.2 (97.2%)	\$106.5 (94.3%)	\$107.1 (86.6%)
MBIE				
He Poutama Rangatahi	\$7.6 (100%)	\$13.6 (100%)	\$14.4 (100%)	
Māori Trades and Training Programme			\$3.6 (100%)	
Non-Departmental Other Expenses				
Improved Employment and Social Outcomes Support MCA:Flexi-wage Employment Assistance			\$8.5 (100%)	\$58.7 (100%)
Out of School Care and Recreation Programmes	\$18.4 (100%)	\$21 (100%)	\$21.7 (100%)	\$23.9 (100%)

Appropriation	2018/2019	2019/2020	2020/2021	2021/2022
Non-Departmental Output Expenses				
Delivering Youth Development	\$8.1 (0%)			
Improved Employment and Social Outcomes Support MCA:He Poutama Rangatahi	\$20.5 (100%)			
Partnering for Youth Development MCA:Delivering Youth Development	\$8.7 (1.1%) \$10.8 (0.9%) \$13.3 (0%)			
Improved Employment and Social Outcomes Support MCA: Māori Trades and Training Programme	\$11.6 (100%)			

a. Dollars are in nominals and expressed in millions.

b. The percentage value in brackets is the proportion of the appropriation that is included in this report's expenditure totals.

c. Because of rounding, subcategories may not add up exactly to total values in the table.

Source: Ministry of Social Development, July 2022.

Readers will note that the total cost of some interventions in this report do not match the corresponding appropriation expenditure for the intervention shown in Table 12. For example, Training Incentive Allowance has a total cost of \$13.0 million while the BORE Training incentive Allowance is \$8.1 million. Similar differences can be seen for He Poutama Rangatahi (\$21.1 million compared to \$20.5 million in Table 12), Māori Trades and Training Programme (\$11.9 million compared to \$11.6 million), Out of School Care and Recreation Programmes (\$24.7 million compared to \$23.9 million), and Flexi-wage Employment Assistance (\$81.5 million compared to \$58.7 million).

The reason for these differences is that the analysis in this report estimates the full cost of the intervention, including indirect costs such as property, ICT, support staff and depreciation. However, when interventions have a specific appropriation, the appropriation amount often covers only the specific contract, subsidy or grant amount paid for the intervention. For example, the cost of administering Training Incentive Allowance is paid through the Improved Employment and Social Outcomes Support MCA: Improving Work Readiness Outcomes while the Benefits or Related Expenses: Training incentive Allowance is the amount paid in grants.

Appendix 5: Change in results between 2021 and 2022 report

This section examines the change in results between this report (2022) and the previous report (2021). Changes in results between reports can occur for a number of reasons:

- updates to the methodology used to estimate the cost and impact of EA interventions
- addition of new results for interventions that have since been evaluated
- increased follow up period to enable the inclusion of medium- to long-term impact into the analysis.

Expenditure by effectiveness rating

Table 13 shows the change in expenditure for each effectiveness category by financial year. The table groups the effectiveness results by financial year starting from 2011/2012. The column labelled '2021' shows expenditure in each rating category from the 2021 report, while the column headed '2022' shows the expenditure in the current report. From these two values, we then present the difference in expenditure and the percentage change.

The main change from the previous annual report has been the reduction in expenditure rated as 'No difference'. This change occurred because Youth Service (YPP) and Work Preparation Services changed their rating from 'No difference' to 'Effective'.

The two other changes are:

- **Too soon to rate:** for the most recent financial years the spend in the 'Too soon to rate' has fallen to zero since enough time has elapsed to determine effectiveness of Mana in Mahi.
- **Not feasible:** the inclusion of employment related case management has increased the amount of expenditure in the 'not feasible' category.

Table 13: Difference in effectiveness rating between current and previous annual report

Financial Year	Rating	2021	2022	Difference	Percent
2011/2012	Effective	\$98.7	\$102.5	\$3.8	3.9%
	Promising	\$36.2	\$34.2	\$-2.0	-5.5%
	Mixed	\$59.4	\$52.1	\$-7.3	-12.3%

Financial Year	Rating	2021	2022	Difference	Percent
	No difference	\$75.3	\$76.1	\$0.8	1.1%
	Negative	\$24.3	\$24.1	\$-0.2	-0.8%
	Not rated	\$11.6	\$10.8	\$-0.8	-6.9%
	Not feasible	\$242.9	\$255.7	\$12.8	5.3%
2012/2013	Effective	\$98.7	\$102.4	\$3.7	3.7%
	Promising	\$27.0	\$23.6	\$-3.4	-12.6%
	Mixed	\$121.8	\$121.2	\$-0.6	-0.5%
	No difference	\$29.0	\$9.3	\$-19.7	-67.9%
	Negative	\$19.4	\$19.8	\$0.4	2.1%
	Not rated	\$11.6	\$11.8	\$0.2	1.7%
	Not feasible	\$234.5	\$275.8	\$41.3	17.6%
	Effective	\$180.4	\$169.5	\$-10.9	-6.0%
2013/2014	Promising	\$11.9	\$11.0	\$-0.9	-7.6%
	Mixed	\$31.9	\$40.5	\$8.6	27.0%
	No difference	\$17.1	\$8.7	\$-8.4	-49.1%
	Negative	\$21.7	\$21.2	\$-0.5	-2.3%
	Not rated	\$11.4	\$12.4	\$1.0	8.8%
	Not feasible	\$239.2	\$424.9	\$185.7	77.6%
	Effective	\$151.9	\$143.5	\$-8.4	-5.5%
2014/2015	Promising	\$42.5	\$41.9	\$-0.6	-1.4%
	Mixed	\$19.5	\$19.5	\$0.0	0.0%
	No difference	\$14.6	\$8.2	\$-6.4	-43.8%
	Negative	\$23.2	\$23.2	\$0.0	0.0%
	Not rated	\$7.6	\$12.2	\$4.6	60.5%
	Not feasible	\$233.0	\$437.5	\$204.5	87.8%
	Effective	\$151.8	\$146.4	\$-5.4	-3.6%
2015/2016	Promising	\$42.0	\$41.7	\$-0.3	-0.7%
	Mixed	\$4.9	\$4.8	\$-0.1	-2.0%
	No difference	\$13.5	\$8.3	\$-5.2	-38.5%
	Negative	\$22.2	\$23.6	\$1.4	6.3%
	Not rated	\$9.6	\$15.5	\$5.9	61.5%

Financial Year	Rating	2021	2022	Difference	Percent
2016/2017	Not feasible	\$227.7	\$435.7	\$208.0	91.3%
	Effective	\$107.9	\$96.2	\$-11.7	-10.8%
	Promising	\$72.0	\$83.8	\$11.8	16.4%
	Mixed	\$5.8	\$5.8	\$0.0	0.0%
	No difference	\$13.3	\$7.9	\$-5.4	-40.6%
	Negative	\$18.4	\$18.6	\$0.2	1.1%
	Not rated	\$20.7	\$29.3	\$8.6	41.5%
	Not feasible	\$263.4	\$425.1	\$161.7	61.4%
2017/2018	Effective	\$124.5	\$101.8	\$-22.7	-18.2%
	Promising	\$64.1	\$77.5	\$13.4	20.9%
	Mixed	\$0.1	\$5.5	\$5.4	5,400.0%
	No difference	\$15.8	\$8.5	\$-7.3	-46.2%
	Negative	\$17.8	\$17.9	\$0.1	0.6%
	Not rated	\$21.0	\$31.9	\$10.9	51.9%
	Not feasible	\$247.1	\$326.0	\$78.9	31.9%
2018/2019	Effective	\$110.4	\$94.5	\$-15.9	-14.4%
	Promising	\$69.1	\$74.1	\$5.0	7.2%
	Mixed	\$0.1	\$5.5	\$5.4	5,400.0%
	No difference	\$20.2	\$9.7	\$-10.5	-52.0%
	Negative	\$17.3	\$17.3	\$0.0	0.0%
	Too soon to rate	\$2.9	\$0.0	\$-2.9	-100.0%
	Not rated	\$18.5	\$35.5	\$17.0	91.9%
	Not feasible	\$229.2	\$280.3	\$51.1	22.3%
2019/2020	Effective	\$96.9	\$95.5	\$-1.4	-1.4%
	Promising	\$75.3	\$80.5	\$5.2	6.9%
	Mixed	\$9.5	\$9.9	\$0.4	4.2%
	No difference	\$19.2	\$6.1	\$-13.1	-68.2%
	Negative	\$17.5	\$17.6	\$0.1	0.6%
	Too soon to rate	\$6.9	\$0.0	\$-6.9	-100.0%
	Not rated	\$16.4	\$42.1	\$25.7	156.7%
	Not feasible	\$193.7	\$279.8	\$86.1	44.5%

Financial Year	Rating	2021	2022	Difference	Percent
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a. Dollars are in nominals and expressed in millions.

b. Because of rounding, subcategories may not add up exactly to total values in the table.

Source: Ministry of Social Development, July 2022.

New interventions

In addition to changes in the rating of individual interventions, the current report has introduced a number of new interventions into the analysis. These additions occur through improvements in the iCAM to identify either participants or expenditure on the intervention. The table below excludes smaller interventions with a total expenditure of less than \$100,000.

Table 14: Expenditure on interventions included in the 2022 report but missing from the 2021 report

Intervention	Financial Year	Expenditure (millions)
Community Employment	2011/2012	\$0.3
Driver licence programmes (commercial)	2013/2014	\$0.3
Education to Employment Brokerage Service	2019/2020	\$1.5
Employment related case management	2012/2013	\$30.0
	2013/2014	\$176.7
	2014/2015	\$195.6
	2015/2016	\$197.7
	2016/2017	\$150.9
	2017/2018	\$67.4
	2018/2019	\$42.3
	2019/2020	\$77.2
Flexi-wage Next Step	2019/2020	\$0.2
Flexi-wage Retention	2019/2020	\$0.6
He Poutama Rangatahi	2017/2018	\$1.0
	2018/2019	\$8.0
	2019/2020	\$14.2
He Poutama Taitamariki	2018/2019	\$0.9
	2019/2020	\$0.5
Mainstream Internship Programme	2015/2016	\$0.2

Intervention	Financial Year	Expenditure (millions)
	2016/2017	\$0.2
	2017/2018	\$0.4
	2018/2019	\$0.2
	2019/2020	\$0.9
Mayors' Taskforce for Jobs	2019/2020	\$0.4
Migrant Employment Assistance	2011/2012	\$0.8
	2012/2013	\$0.7
	2013/2014	\$0.8
	2014/2015	\$0.8
	2015/2016	\$0.8
Oranga Mahi - RESTORES	2017/2018	\$0.4
	2018/2019	\$0.4
OSCAR (subsidy)	2011/2012	\$20.1
	2012/2013	\$19.9
	2013/2014	\$20.0
	2014/2015	\$19.6
	2015/2016	\$19.3
	2016/2017	\$21.2
	2017/2018	\$20.9
	2018/2019	\$19.4
	2019/2020	\$15.2
Pathways to Employment Red Cross	2014/2015	\$1.0
	2015/2016	\$1.4
	2016/2017	\$1.3
	2017/2018	\$1.4
	2018/2019	\$1.3
Prisoner Reintegration programme	2019/2020	\$2.4
	2011/2012	\$0.4
	2012/2013	\$0.3
	2013/2014	\$0.2

Intervention	Financial Year	Expenditure (millions)
	2014/2015	\$0.3
	2015/2016	\$0.3
	2016/2017	\$0.3
	2017/2018	\$0.8
	2018/2019	\$0.5
	2019/2020	\$0.4
Taitamariki 500	2016/2017	\$0.5
	2017/2018	\$0.9
	2018/2019	\$0.2
Work Focused Case Management ICS	2018/2019	\$1.7
	2019/2020	\$1.2
Youth Life Skills	2011/2012	\$0.5

a. Dollars are in nominals and expressed in millions.

Source: Ministry of Social Development, July 2022.

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