

Delivering better public services

**REDUCING LONG-TERM WELFARE DEPENDENCE
RESULT ACTION PLAN**

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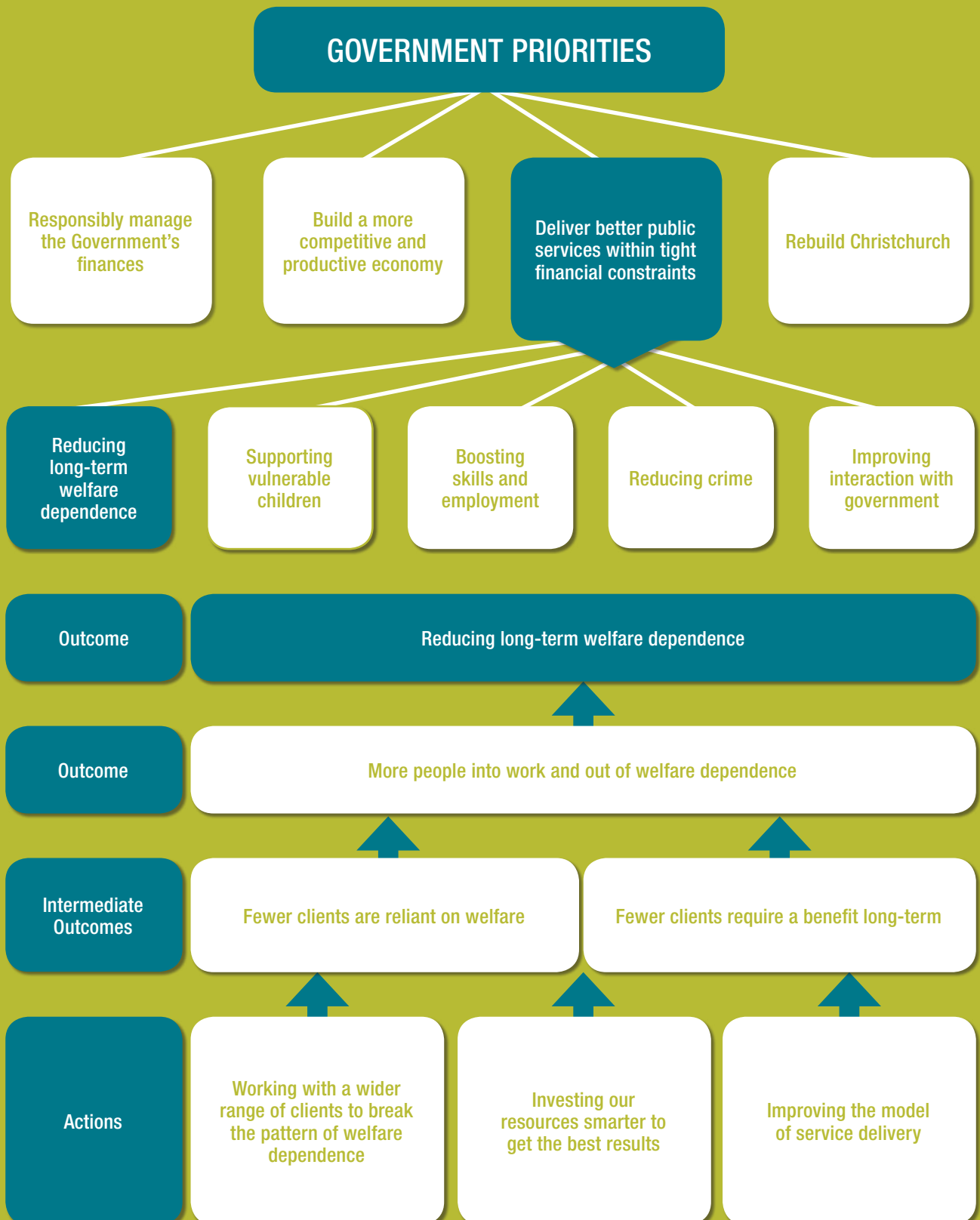
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REDUCING LONG-TERM WELFARE DEPENDENCE



Reduce the number of people who have been on a working-age benefit for more than 12 months

WHY THIS IS IMPORTANT TO NEW ZEALANDERS

Reducing long-term welfare dependence is about supporting people to better their lives, managing the Government's future financial liability and supporting our economy by ensuring we have a skilled and productive workforce.

Most people who receive a benefit, do so for only a short period. Many are able to move into work or training themselves or with a small amount of support.

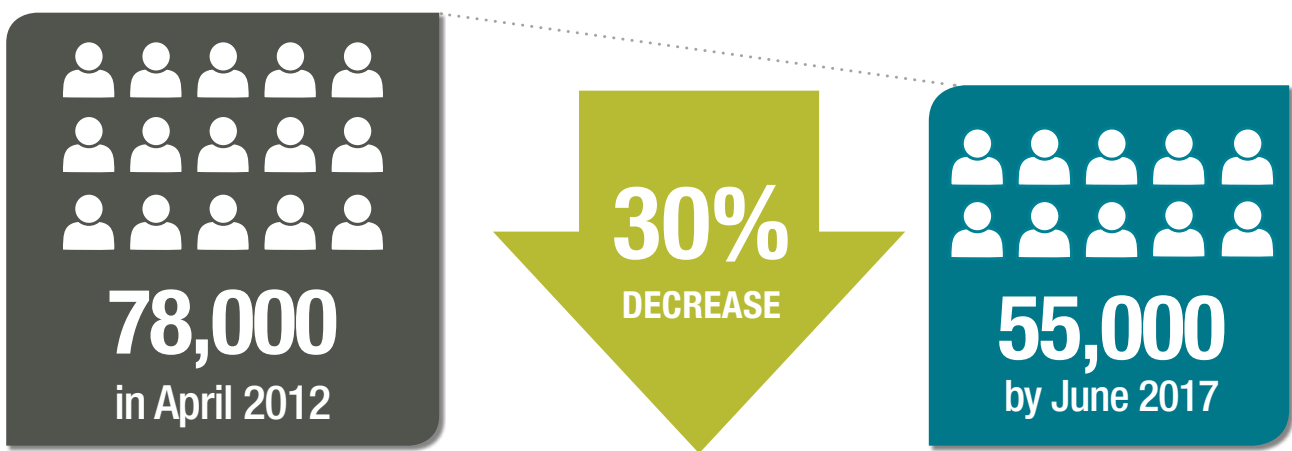
However, there are other people who are missing out on opportunities to better their lives, and those of their families, through work. More than 170,000 New Zealanders have spent at least five of the last 10 years on welfare.

Being out of paid work and on a benefit for extended periods increases the risk of poverty, social dislocation and deteriorating overall health. It can also have negative impacts for the children of people on benefit long-term.

The cost of paying benefits to working-age people is now over \$8 billion a year, with much higher lifetime costs. The cost alone is concerning, but it is only a portion of the entire economic and social cost to New Zealand caused by lost productivity and negative social impacts.

UNDER THIS RESULT AREA WE WILL:

Reduce the number of people continuously receiving those working-age benefits that will become the new Job Seeker Support for more than 12 months.



Reduce the number of people continuously receiving those working-age benefits that will become the new Job Seeker Support, for more than 12 months by 30 per cent, from 78,000 in April 2012 to 55,000 by June 2017.

The new Job Seeker Support will be introduced from July 2013. People currently on Unemployment Related Benefits, Sickness Benefit, Domestic Purposes Benefit (DPB) sole parents whose youngest children are over 14, Widows with youngest children over 14 or no children and DPB Women Alone will move to Job Seeker Support.

All these clients will have either a full-time or part-time work expectation (unless granted a temporary deferment) allowing us to work actively with them.

ACHIEVING RESULTS

We have three strategies for reducing long-term welfare dependence.

We will work with a wider range of clients to break the pattern of welfare dependence.

We will invest our resources smarter to get the best results.

ACHIEVING RESULTS

We will improve the model of service delivery.

We will work with a wider range of clients to break the pattern of welfare dependence.

Government is creating a more active benefit system that helps people move into work and gives Work and Income the ability to work with a wider range of clients.

OUR KEY ACTIONS:

A FUNDAMENTAL OVERHAUL OF THE BENEFIT SYSTEM TO INTRODUCE THREE BENEFIT CATEGORIES WITH A STRONG AND CONSISTENT WORK FOCUS FOR A LARGE PROPORTION OF BENEFICIARIES BY JULY 2013.

A MORE ACTIVE APPROACH WITH YOUNG PEOPLE AND LONG-TERM RECIPIENTS OF DPB, TWO GROUPS AT RISK OF HIGH FUTURE LIABILITY, BY OCTOBER 2012.

TAILORING JOB SEARCH SERVICES TO REFLECT THE SPECIFIC NEEDS OF DIFFERENT CLIENT GROUPS BY OCTOBER 2012.

We will invest our resources smarter to get the best results.

As part of wider Welfare Reform, Government will begin a progressive transition of the benefit system onto an investment approach footing.

OUR KEY ACTIONS:

A FOCUS ON GIVING MORE HELP AND INTERVENING EARLIER WITH PEOPLE WITH COMPLEX PROBLEMS, TO GET THEM OFF BENEFIT AND INTO WORK.

TARGETING OUR RESOURCES ON GROUPS WE KNOW ARE AT MOST RISK OF LONG-TERM BENEFIT DEPENDENCE.

TAILORED RESPONSES TO WORK-FOCUSED SUPPORT FOR DIFFERENT CLIENT GROUPS.

DEVELOPING NEW APPROACHES TO SERVICE DELIVERY, INCLUDING SMARTER USE OF TECHNOLOGY AND STREAMLINED BUSINESS PROCESSES.

ANNUAL VALUATIONS AND MONITORING OF TRENDS IN THE FUTURE COST OF THE BENEFIT SYSTEM.

These changes will be progressively implemented to underpin wider Welfare Reform.

The Ministry of Social Development will monitor and adjust our programmes to make sure our investment is focused on reducing long-term benefit use.

We will improve the model of service delivery.

Improvements in processes and services, and more efficient use of information technology will support us to make decisions about the most appropriate help.

OUR KEY ACTIONS:

ESCALATING OUR INTENSITY WITH PEOPLE WHO COULD WORK, BUT ARE NOT AND ARE AT RISK OF REMAINING IN THE BENEFIT SYSTEM LONG-TERM.

USE OF AN ENHANCED WORK-FOCUSED CASE MANAGEMENT APPROACH FOR CLIENTS IDENTIFIED AS BEING AT RISK OF LONG-TERM BENEFIT DEPENDENCE.

WORKING WITH EMPLOYERS AND INDUSTRY TO IDENTIFY MORE EMPLOYMENT OPPORTUNITIES FOR THESE CLIENT GROUPS.

INCREASED USE OF CONTRACTED SERVICES WITH AN EMPHASIS ON PURCHASING FOR RESULTS.

USE OF STRONG EVALUATION DESIGN AND KNOWLEDGE SYSTEMS TO ASSESS WHAT WE DO AND MONITOR THE IMPACTS.

WORKING TOGETHER FOR RESULTS

Long-term welfare dependence is not just about the welfare system. It is driven by many factors that can be related to personal circumstances; the labour market and the wider economy; the education and training system; and the health system.

In addition to introducing a stronger work-focus for more people, achieving this result will also require an integrated cross-agency approach that addresses the causes of long-term welfare dependence.

The Chief Executive of the Ministry of Social Development is the lead Chief Executive for these results. The agencies

of the Social Sector Forum – a formal cross-agency group that reports to Cabinet Social Policy Committee – have agreed to share responsibility for delivering this result.

Reducing long-term welfare dependence is also closely linked with other Better Public Services results, including:

- supporting vulnerable children
- reducing crime
- boosting skills and employment.

We will work across government agencies to ensure a joined-up approach to achieving these results.

THE SOCIAL SECTOR FORUM'S MEMBERS ARE:

Chief Executive
of the Ministry
of Social
Development
(Chair)

Secretary for
Justice

Secretary for
Education

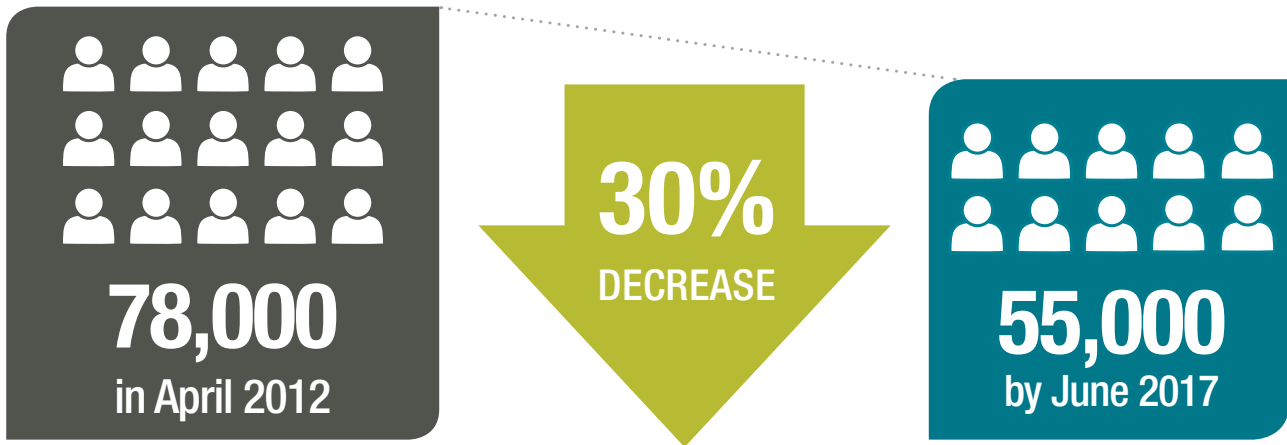
Director-General
of Health

Deputy Chief
Executive
Building and
Housing, Ministry
of Business,
Innovation and
Employment

The Social Sector Forum will also work with other agencies, including the New Zealand Police, Te Puni Kōkiri, and the Ministry of Pacific Island Affairs, to deliver the results.

The Chief Executive of the Ministry of Social Development is also leading implementation of a substantial programme of reform for the welfare system that will be critical in delivering on this goal. He will be supported by a Work and Income Board who will provide independent advice on the implementation and ongoing delivery of the investment approach, which is a key element of change to the benefit system.

MEASURING RESULTS



Progress will be monitored using one key measure – the number of working-age people continuously receiving Job Seeker Support for more than 12 months.

Until Job Seeker Support is introduced in July 2013 we will report on the progress of all the benefit categories that will be included in the new Job Seeker Support.

We will include a breakdown of client groups most at risk of staying on a benefit for longer periods such as Māori, Pacific, youth and sole parents.

Results will be updated every three months on the Ministry of Social Development website.

30 per cent reduction in the number of people continuously receiving Job Seeker Support for more than 12 months, from 78,000 in April 2012 to 55,000 by June 2017.

