

MINISTRY OF SOCIAL DEVELOPMENT

Statement of Intent 2009–2012



MINISTRY OF SOCIAL DEVELOPMENT
Te Manatū Whakahiato Ora

MINISTRY OF SOCIAL DEVELOPMENT

Statement of Intent 2009–2012



MINISTRY OF SOCIAL DEVELOPMENT
Te Manatū Whakahiato Ora

Published May 2009
Ministry of Social Development
PO Box 1556
Wellington 6140
New Zealand

Telephone: +64 4 916 3300
Facsimile: +64 4 918 0099
Email: info@msd.govt.nz
Web: www.msd.govt.nz

ISSN: 1176-242X (print)
ISSN: 1178-5160 (online)

Contents

Minister's Foreword	1
Minister's Statement of Responsibility	2
Chief Executive's Introduction	3
Chief Executive's Statement of Responsibility	4
Nature and scope of functions	5
Strategic direction	7
Operating intentions	9
Outcomes for Working Age People	9
Outcomes for Young People	13
Outcomes for Children	17
Outcomes for Older People	20
Outcomes for Families and Whānau	23
Outcomes for Communities, Hapū and Iwi	27
Organisational health and capability	30
Managing in a changing environment	32
Departmental capital intentions	33

Minister's Foreword

The Statement of Intent 2009–2012 sets out the major priorities the Ministry of Social Development will be accountable for over the next three years.

The short-term focus will be on delivering the Government's pre-election commitments to deliver prosperity and security, and to help New Zealanders make the best of the difficult economic situation.

This year, the Ministry's most important responsibility is to lessen the impact of the economic downturn on families and individuals. To do this, we will need an unrelenting focus on paid work, because we believe keeping people in some form of employment is critical. Achieving this means working closely with employers and providing practical support to help them get through the downturn. We want New Zealand to be well-positioned to take advantage of the upturn when it occurs.

We cannot let people use the recession as an excuse to stay on benefits. A life of welfare dependency is a life of limited opportunity. For those needing temporary assistance, we will streamline our processes to ensure they get the support services they need to help them get back into work as quickly as possible.

We will target young people at risk of entering the youth justice system, by ensuring there are a good range of programmes available to deal with their diverse needs. We will develop new approaches to help that small group of young people who have tried everything the current system offers, or who are guilty of repeated violent crime. The Ministry will also provide programmes for more young people – not just those deemed 'problem kids' – so all our youth can realise their potential.

There will be a focus on early childhood, especially on those aged under two years at risk of abuse or neglect. Giving a child a good start has more chance of a successful outcome for the individual and their community than dealing with an at-risk teen. This means providing support for those parents who need it.

We will also promote a positive change across society in attitudes towards people with disabilities, and work to improve service delivery.

Our older people deserve certainty during these times, Superannuation will be paid at a minimum of 66 per cent of the net average wage. We will provide more flexibility with overseas pension arrangements. We will support the independence of older people, and give them every opportunity to participate in their communities.

In tough economic times, the Government is obliged to ensure we deliver value for money. We cannot continue to fund programmes that don't address priority areas, especially when Government's financial situation is so constrained. We need to develop creative ways of assisting more people with limited resources.

I am looking forward to working with the Ministry to advance these goals.

Hon Paula Bennett

Minister for Social Development and Employment

Minister for Disability Issues

Minister of Youth Affairs

Minister's Statement of Responsibility

I am satisfied that the information on future operating intentions provided by my department in this Statement of Intent is in accordance with sections 38, 40 and 41 of the Public Finance Act 1989 and is consistent with the policies and performance expectations of the Government.

Hon Paula Bennett
Responsible Minister for the Ministry of Social Development

Chief Executive's Introduction

The Government has outlined its priorities for the Ministry of Social Development in the medium term. This Statement of Intent outlines how the Ministry of Social Development will respond to these priorities.

Employment provides the best opportunities for most people. We are responsible for keeping New Zealanders in work and in these tough times we will be working hard with employers to keep people in the workforce. The Job Support Scheme is aimed at helping businesses hold on to workers who might otherwise be facing redundancy. We will work with nationally significant employers and industries to develop tailored solutions to their workforce needs.

We will also focus on the small group of teens who need stronger, longer, more intensive interventions to get their lives on track. We are implementing the Fresh Start package for these young people, which will give the Youth Court a range of options to tailor individual intensive programmes for youth.

A priority for the Ministry is making sure that children and young people have a great start in life. Most New Zealand children do. For some we need to give their parents more support, while for others we need to provide care for them away from their families. We are increasing our focus on parenting and on giving the very young safe and nurturing environments.

Underlying all that we do will be a value for money focus. We are undertaking a line-by-line review to test the effectiveness and efficiency of everything we do. We will implement changes to assure taxpayers the programmes and services delivered by the Ministry are the best value.

Peter Hughes
Chief Executive
Ministry of Social Development

Chief Executive's Statement of Responsibility

In signing this statement, I acknowledge that I am responsible for the information contained in the Statement of Intent for the Ministry of Social Development. This information has been prepared in accordance with the Public Finance Act 1989. It is also consistent with the proposed appropriations set out in the Appropriation (2009/10 Estimates) Bill, as presented to the House of Representatives in accordance with Section 13 of the Public Finance Act 1989, and with existing appropriations and financial authorities.

Peter Hughes
Chief Executive
Ministry of Social Development

Nick Gale
Chief Financial Officer
Ministry of Social Development

Nature and scope of functions

The Ministry of Social Development is the Government's lead provider of policy advice and services in respect of children and young people, working age people, older people, and families and whānau and communities. It provides services to the:

- Minister and Associate Minister for Social Development and Employment
- Minister for Senior Citizens
- Minister and Associate Minister for Disability Issues
- Minister for the Community and Voluntary Sector
- Minister of Youth Affairs
- Minister for Veterans' Affairs.

Throughout the country we have around 300 sites to provide services to more than 1.1 million clients.

The Ministry provides leadership and co-ordination among various government and non-government organisations to achieve improved results. The Ministry chairs the Social Sector Forum of Chief Executives and participates in the Justice Sector Chief Executives forum. The Ministry provides whole-of-social-sector second opinion advice to Government.

The Ministry includes three offices:

- the Office for Senior Citizens – supporting the Minister for Senior Citizens to promote positive ageing and the interests of older people
- the Office for Disability Issues – supporting the Minister for Disability Issues to oversee the New Zealand Disability Strategy addressing the challenges and advancing the interests of disabled New Zealanders
- the Office for the Community and Voluntary Sector – supporting the Minister for the Community and Voluntary Sector to strengthen the relationship between Government and the sector.

We are responsible for:

- the statutory care and protection of children and young people, youth justice services, adoption services
- delivering of employment and income support servicing and New Zealand Superannuation
- administrating of New Zealand's international welfare portability arrangements
- providing student allowances and student loans
- the leadership and co-ordination of social and support services, and funding to community service providers
- providing access to a range of concessions and discounts.

We are structured into the following clusters:

- Policy – the Social Sector Strategy group provides social sector-wide policy advice, policy advice on communities and community-government relationships, second opinion advice to Ministers and to the Cabinet Social Policy Committee. The Social Services Policy group provides advice on services for children and families, young people, working age New Zealanders and older people. This group includes the Ministry of Youth Development.
- Service Delivery – provides services to clients through four service lines: Work and Income; Students, Seniors and Integrity Services; Child, Youth and Family; and Family and Community Services.
- Corporate – supports the service delivery and policy clusters: People, Capability and Resources; Risk and Assurance; and Corporate and Governance.

We will be administering the following Votes in 2009/2010:

- Vote Senior Citizens
- Vote Social Development
- Vote Veterans' Affairs – Social Development
- Vote Youth Development.

We provide purchase, governance and ownership advice for the following Crown entities:

- Children’s Commissioner
- Families’ Commission
- New Zealand Artificial Limb Board
- Retirement Commissioner
- Social Workers Registration Board.

We provide advice on appointments to the following statutory tribunals:

- Social Security Appeal Authority
- Social Workers’ Complaints and Disciplinary Tribunal
- Student Allowance Appeal Authority.

The key pieces of legislation we manage and administer are the:

- Adoption Act 1955 (operational administration)
- Adoption (Intercountry) Act 1997 (operational administration)
- Adult Adoption Information Act 1985 (operational administration)
- Charities Act 2005
- Children, Young Persons, and Their Families Act 1989
- Children’s Commissioner Act 2003
- Department of Child, Youth and Family Services Act 1999
- Department of Social Welfare Act 1971
- Disability (United Nations Convention on the Rights of Persons with Disabilities) Act 2008
- Disabled Persons Community Welfare Act 1975 (except Part 2A)
- Education Act 1989 (Part 25)
- Employment Services and Income Support (Integrated Administration) Act 1998
- Families Commission Act 2003
- Family Benefits (Home Ownership) Act 1964
- New Zealand Sign Language Act 2006
- New Zealand Superannuation and Retirement Income Act 2001 (Parts 1 and 4 and Schedules 1 and 6)
- Social Security Act 1964
- Social Welfare (Transitional Provisions) Act 1990
- Social Workers Registration Act 2003
- War Pensions Act 1954 (operational administration for Veterans’ Pensions).

Bills on the 2009 legislation programme which have an impact on the Ministry of Social Development are:

Those that must be passed in 2009:

- Children, Young Persons, and Their Families (Youth Courts Jurisdiction and Orders) Amendment Bill 2009
- Social Assistance (Contingency) Amendment Bill.

Those to be passed in 2009, if possible:

- Social Assistance (Payment of New Zealand Superannuation and Veteran’s Pension Overseas) Amendment Bill 2008.

Those to proceed to a select committee in 2009:

- Protection of Personal and Property Rights Amendment Bill.

Non-Ministry Bills on the legislation programme in which the Ministry has a particular interest include the:

- Insolvency Amendment Bill 2009
- Care of Children (Child Protection Convention) Amendment Bill.

Strategic direction

The recession is the single most important issue facing the Social Development portfolio. The direct impact of challenging economic times will be higher unemployment, lower employment and an increase in beneficiary numbers. Although unemployment numbers are lower than they were some years ago, they have grown quickly since December 2008. Helping businesses stay viable so people can get and keep work, is the best contribution the Ministry of Social Development can make to lessen the impact of the recession on the labour market.

We are already working with more clients and clients with different needs. We will need to focus on getting our Job Search Service ready to meet the new demands. This will help us to continue to get people directly into jobs on first contact, rather than onto a benefit. For those who do go onto benefit, the aim is to move them into work as soon as possible.

We are still getting people into work quickly, despite the difficult labour market. Of those who went onto a benefit from January to March 2009, two-thirds of that number got a job. The remainder of them needs income assistance. It is necessary to balance providing accessible support and making sure individuals take responsibility for their own futures. The Government will always help people in times of hardship and need, but people must be prepared to help themselves and to do what needs to be done to improve their situation. The Ministry will develop and implement policies and practices that make paid employment the best option for all of those people able to work.

The ReStart package launched at the end of 2008, responds to recession-driven redundancies. ReStart gives temporary financial help and job search assistance to people made redundant. The Government also moved quickly to help businesses retain their staff in tougher economic conditions. The Job Support Scheme helps employers to avoid redundancies by paying an allowance to employees who have agreed to work reduced hours. Both these schemes are directed at people who would normally be not eligible for benefit assistance.

The economic downturn is also expected to have a number of wider social impacts which if left unchecked, will harshly affect our communities and the New Zealand economy in years to come.

Family violence, child abuse, neglect and offending are all correlated with social and economic situations. The key to dealing with these issues is to direct resources and effort early in people's lives and early in the life of the problem. Early action to stop violence is more effective in protecting children and rehabilitating perpetrators.

The economic cost of crime in New Zealand was \$12.5 billion in 2005/2006. About \$10 billion of that was borne by individuals, businesses and communities. Some young people need more support so they don't end up in the youth justice system or, once in the youth justice system, in the adult criminal justice system. Getting people on the right track needs to be a priority if we are to reduce the cost of the criminal justice system and the impact of crime on our communities.

This Government's plan is to have all young people under the age of 18 years in work, education, or training. This will be supported by a universal education entitlement for all 16 and 17 year olds. This will give young people free access to study towards school-level qualifications, while providing flexibility for different learning styles.

The significant growth in our older population is a factor out of our control. One in four New Zealanders will be aged 65 and over in the next 30 years. An ageing population potentially reduces the working age population, limiting economic growth and Government revenue. Therefore keeping as many older people in work as we can makes good sense. Retaining the skills and wisdom of older people brings a number of benefits to the workplace.

Communities contribute to the wellbeing of individuals, families and whānau. A strong community will support its members to thrive. A well functioning community is supported by a strong community and voluntary sector.

The community and voluntary sector employs 9.6 per cent of the New Zealand working population. The economic downturn will directly impact all sources of funding to non-government organisations, including those providing services to people and families in need. We will develop options to help these organisations continue doing their valuable work.

We need to know we are getting better value out of government spending. This is happening through the line-by-line review of expenditure, by eliminating low-impact government programmes, and by reducing overheads.

The Government's priorities for the Ministry of Social Development are to:

- protect people from the worst effects of the recession and to minimise unemployment
- get the incentives right to make work the most attractive option
- get troubled youth back on track and to help young people achieve their potential
- make sure young children have a positive start to life
- keep at-risk children safe – with emphasis on under two year olds
- improve support for families – and young parents in particular
- support the independence of older people
- make sure individuals and families to live in communities that provide them with the support they need to function effectively
- promote positive change across society in attitudes towards people with disabilities.

The emphasis for the Ministry will be to help people help themselves. To do this we will:

- support people through the recession and ensure New Zealanders are ready for economic recovery
- help businesses to retain their workforce
- help people who lose their jobs because of the recession
- support troubled youth to get them on a positive life path
- help all youth, including those within the youth justice system, to achieve their potential
- protect at-risk children by stepping in if abuse or neglect is suspected
- provide parenting programmes to help families succeed
- encourage an integrated approach to whānau wellbeing
- ensure value for money in everything we do by running efficient programmes and keeping overhead costs low.

We need to be absolutely sure our services are effective and efficient.

Measuring performance and cost-effectiveness

Performance measures tell us whether we are delivering services well. Indicators tell us what difference our services are making in improving the lives of those receiving them. The Ministry is committed to improving how we measure

service performance so we can better describe the impact our services have on people. We also regularly evaluate Ministry programmes to confirm they meet our objectives.

The 2009–2012 Statement of Intent includes a number of revised indicators. Where possible information on trends indicators is provided. The associated 2009 Output Plan has a number of new service performance measures and changes made where existing measures were not considered appropriate or where circumstances have changed.

We have included two indicators in the Outcomes for Working Age People. They are the proportion of Unemployment Benefit applicants who do not need a benefit after they have approached Work and Income, and the numbers of beneficiaries who exit into full-time work. Estimates of the savings in benefit not paid to these people provide an indication of the cost effectiveness of our approach. A related set of service performance measures for Services to Help People into Work or Achieve Independence are included in the Output Plan. Because of its size and importance, we will continue to work on the intervention logic of Services to Help People into Work or Achieve Independence to improve our knowledge of the effectiveness of these services.

A new effectiveness indicator under Outcomes for Young People provides information on the level of repeat offending by youth justice clients. This indicator will tell us whether we have been successful in minimising ongoing youth offending.

Similarly a new effectiveness indicator in the Outcomes for Children section for reported reoccurring cases of child abuse or neglect will tell us about our effectiveness in breaking the cycle of abuse and neglect.

Under Outcomes for Families and Whānau, we regularly monitor a broad range of outcomes achieved by at-risk families who have received assistance under the Integrated Service Response¹ (ISR) initiative. As well, we monitor indicators of risk and resilience in families' backgrounds and circumstances. We are committed to action that will strengthen whānau capabilities.

During 2009/2010 the Ministry will continue to improve its indicators and measures. Particular emphasis will go into the development of effectiveness measures.

¹ The Integrated Service Response identifies families with multiple and complex needs, providing them with services that aim to reduce their level of risk and to build on their strengths.

Operating intentions

Outcomes for Working Age People – an overview

Government priority

Protect people from the worst effects of the recession and minimise unemployment

Outcome

- People get into or stay in work and for those not ready for work advance their employment prospects

To achieve this we will:

- work on the system to improve incentives to work
- provide enhanced job search
- work with employers and industries to develop tailored solutions to their workforce needs
- support students to make good financial choices in tertiary education
- enable more disabled people to get work

Departmental output expenses that contribute

Vote Social Development

- Collection of Balances Owed by Former Clients and Non-beneficiaries
- Management of Student Support
 - Output: Student Allowances
 - Output: Student Loans
 - Output: Administration of Grants and Scholarships
- Policy Advice and Support to Ministers (MCOA)
 - Social Policy Advice Output Class
 - Output: Ministerial Servicing
 - Output: Social Services Policy Advice
 - Output: Strategic Social Policy Advice
 - Crown Entity Monitoring Output Class
- Services to Protect the Integrity of the Benefit System
- Tailored Sets of Services to Help People into Work or Achieve Independence
- Vocational Skills Training

Vote Veterans' Affairs – Social Development

- Processing and Payment of Veterans' Pensions
 - Output: Processing and Payment of Veterans' Pensions

People get into or stay in work and those not ready for work advance their employment prospects

We know that work is the best way out of poverty. Having a job provides financial security. It builds self confidence and connects people with their communities. It gives people pride and independence.

Our active case management gets more than 30 per cent of the people who come to Work and Income expecting to go on a benefit, a job instead. We do this even in the current tough labour market. For the people who do go on an Unemployment Benefit, we redouble our efforts to get them working again. If a person loses their job, it's important they find another one quickly. They are more likely to be attractive to employers while their skills are current and they are still confident.

We have been successful in getting more people into work than other countries because when New Zealanders register for a benefit we work with them to address all their barriers to work. Some people need help getting job-ready, including help with everything from interview preparation to sorting out family and housing situations. By acting on clients' needs upfront, we minimise the time out of work and maximise the chances of staying in work.

We have already launched the ReStart and Job Support Schemes in response to the economic downturn. ReStart gives temporary financial help and job search assistance to people immediately after they have been made redundant. The Job Support Scheme will help to reduce the number of employees facing redundancy. The scheme pays an allowance to workers who have agreed to work reduced hours and is available to employers with 50 or more staff.

We are here to help people get on with their lives and to be independent. People on Sickness Benefit will be regularly assessed so they can be work-ready as soon as they are well enough. We will continue to support those who, through no fault of their own, are unable to work due to ill health or disability.

This means we have to find job openings to get people into work. Working directly with employers is essential for this. Building stronger relationships with employers will help us to meet their employment needs. We will step up how we work with employers so we can reconnect people with the workforce as quickly as possible.

The next generation of employees needs to be equipped to contribute to the workforce with a minimum of student loan debt. Students will be supported to make informed decisions about the financial aspects of their study options and to manage their loans and allowances.

Over the next three years we will:

- Support people getting over the shock of redundancy through the ReStart package. The package offers temporary financial help and job search assistance to those who need it.
 - Help businesses keep their workers employed by growing the Job Support Scheme.
 - Identify areas of demand for skills and prepare job-seekers to meet these demands. We will do this by working with nationally significant employers and by working with iwi, Māori and Pacific communities to develop programmes that enhance employment outcomes for Māori and Pacific people, especially youth.
 - Meet the needs of our client base by increasing the range of work-focused seminars we offer.
 - Match employers and job-seekers by launching online tools for employers to advertise their vacancies. Our extensive database of potential candidates will help employers find a candidate to match their needs.
 - Remove the barriers between employers and seasonal workers by creating a seasonal work marketplace.
 - Create online facilities for people to update their own details. This will free up frontline staff to work more intensively with clients and their families.
 - Provide students with information and online tools so they can make informed decisions about their study and its funding.
- We are committed to a benefit system that provides a genuine safety net in times of need and that also has incentives for people to go back to work. With careful consideration for the timing of any policy changes in this weaker labour market we will:
- Require all people who have been receiving an Unemployment Benefit for 12 months or more to reapply for their benefit and undergo a comprehensive work assessment.
 - Get the incentives right to get Sickness beneficiaries back into employment as soon as possible. To encourage working, we will require a second medical certificate for Sickness Benefit to be for no longer than four weeks. We will also require a compulsory second opinion medical assessment for those on a Sickness Benefit for a year. We will work with Sickness beneficiaries to get them work-ready as soon as possible.
 - Extend part-time work obligations to Domestic Purposes beneficiaries once their youngest child is six years old.
 - Increase the amount of money earned before benefits are abated to \$100 a week.

How we will show progress

The main impact we have is on reducing the number of people claiming a benefit. We will do this by:

- getting job-seekers straight into work if possible
- working with people on a benefit to reduce their barriers to work
- working with employers to help them keep people in work
- working with employers to help them increase employment opportunities
- ensuring that benefits are a last resort.

When the economy is in recession our efforts are vital. People out of work do not pay taxes and often need benefits or other assistance to support their families. We need to move as many people as we can straight into available work. We also need to support employers to hold current employees in work.

The Ministry and the Treasury worked together in 2008 to measure the impact that Work and Income had on employment levels. That work showed that the number of working-age people on a benefit at the end of 2007 would have been at least 7–10 per cent higher without Work and Income services. The Ministry is continuing to monitor the impact of Work and Income services in the context of a weaker economy.

The Job Search Service helps people to make a quick return to work, often without the need to go onto a benefit. Applicants for benefit attend a Work for You seminar. Of those who attended a seminar in March, 34.4 per cent did not need a benefit within 28 days of attending.

If all the people who go into Work and Income went straight onto a benefit rather than into work, the estimated cost in benefits would be an additional \$55 million a year. We would also need to employ an estimated 276 more case managers and fund the extra associated costs.

When people do come onto benefits, our case managers work with them to either place them in work or prepare them for work. In 2007/2008 30,553 people left a benefit and stayed in work for six months or more. If these people had remained on a benefit the cost of the benefit alone would have been \$172 million.

During 2008/2009, reductions in the demand for labour have affected our ability to move people off benefits. However, even in this tough environment there are still significant numbers exiting the Unemployment Benefit. In the period from January to March 2009 exits were 66 per cent of new grants, with the actual numbers exiting often above pre-recession exit numbers.

Another way of showing progress in this area is through international comparison. New Zealand is more successful than other comparable OECD countries in placing people into and holding people in work, particularly people from vulnerable groups (long-term unemployed, low-skilled, youth).

We will continue to measure the proportion of applicants who do not go onto a benefit and the number of beneficiaries exiting into work as indicators of our impact in protecting people from the recession and minimising unemployment.

Indicators – People get into or stay in work and those not ready for work advance their employment prospects

Indicator	Current	Trend
Proportion of applicants who attend a Work for You seminar and do not need a benefit within 28 days	34.4% end of March 2009	New measure
Number of people exiting a main benefit and staying in work for six months or longer	30,553 2007/2008	Declining

Source: MSD's Information Analysis Platform

Detailed information about the Ministry's performance in this area is contained in the Information Supporting the Estimates and in the 2009/2010 Output Plan.

Outcomes for Young People – an overview

Government priority

Get troubled youth back on track and help young people achieve their potential

Outcomes

- Young people are in education, training, work or other worthwhile activities
- Young people who get into trouble stop offending

To achieve this we will:

- strengthen our youth justice response
- help young people successfully transition to adulthood
- support young people to achieve their potential

Departmental output expenses that contribute

Vote Social Development

- Care and Protection Services
 - Output: Investigation and Assessment
 - Output: Case Management
 - Output: Children in Care
 - Output: Resolution Services
 - Output: Court-ordered Assessments and Reports under other Enactments
- Family and Community Services
 - Output: Development and Management of Early Intervention and Preventative Social Services Programmes
- Management of Student Support
 - Output: Student Allowances
 - Output: Student Loans
 - Output: Administration of Grants and Scholarships
- Policy Advice and Support to Ministers (MCOA)
 - Social Policy Advice Output Class
 - Output: Ministerial Servicing
 - Output: Social Services Policy Advice
 - Output: Strategic Social Policy Advice
 - Crown Entity Monitoring Output Class
- Prevention Services
- Youth Justice Services
 - Output: Case Management (Youth Justice)
 - Output: Placement and Detention
 - Output: Restorative Services

Vote Youth Development

- Youth Development
 - Output: Youth Development Policy Advice
 - Output: Facilitating Young People's Voices
 - Output: Enabling Youth Development

Young people are in education, training, work or other worthwhile activities

We know that young people are most successful when they are purposefully engaged. We will provide opportunities for young people to participate in activities that will help them become successful adults.

We help young people who want to further their education by providing access to student loans, student allowances and scholarships for tertiary education. We will develop systems to provide them with as much advice as possible so they can make informed decisions.

For those young people who are keen to go straight to work we will provide employment-readiness training, development opportunities, and financial support to help them get into good jobs.

Over the next three years we will:

- Get young people into tertiary education, training, work, and other meaningful activities, such as volunteering and mahi aroha. This will help young people to become successful adults.
- Work on behalf of young people by devising policies and legislative processes around issues affecting them.
- Provide students with information and online tools so they can make informed decisions about their study and its funding.
- Identify areas of demand for skills and prepare job-seekers to meet these demands. We will do this by working with nationally significant employers and by working with iwi, Māori and Pacific communities to develop programmes that enhance employment outcomes for Māori and Pacific people, especially youth.
- Provide 16 and 17 year olds with entitlements to free school-level education from a wide range of institutions, including polytechnics, wānanga and private training establishments. We will work with the Ministry of Education to achieve this.
- Expand opportunities for school-based apprenticeships, and enhanced trades and technology-based learning opportunities. We will work with the Ministry of Education to achieve this.
- Make the Young Parent Childcare payment available to all young parents not receiving any other financial assistance so they can complete their education.
- Investigate how maatua whangai should develop within Child, Youth and Family.

Young people who get into trouble stop offending

Most young people deal effectively with the challenges they face growing up. Others need more help. Youth at risk of entering the youth justice system need support and guidance to quickly get them on the right track. More intensive programmes are needed to ensure those already in the youth justice system don't enter the adult criminal justice system, where offending behaviour becomes more engrained.

The youth justice system deals effectively with most children and young people who break the law. We require a stronger and more in-depth approach for the most serious, and recidivist, offenders.

From 2010, the Fresh Start reforms will go further than providing a more effective response to serious offending. Fresh Start will deliver a comprehensive step-change to the way the youth justice system responds to all young offenders.

The Fresh Start legislation will ensure any measures for dealing with offending by young people will seek to address the underlying causes of the offending. Those children and young people at risk of being drawn into crime will benefit from the greater emphasis on self-discipline, personal responsibility and community values in the Fresh Start approach.

Over the next three years we will:

- Implement the Fresh Start package so we can work more intensively with young offenders to help them turn their lives around. The package will give the Youth Court a range of options to tailor individual programmes for youth.
- Increase the length of residential stays for serious offenders. We will open a new youth justice facility, increasing bed capacity from 110 to 150. We will also invest more in activity programmes, treatment foster homes, military-style activity camps, and the supported bail programme.
- Respond to the results of the Drivers of Crime Ministerial Meeting.
- Increase Supervision with Activity and other wrap-around activities to help young people develop self-discipline, personal responsibility and community values. We will work with new and existing providers to help us do this.

How we will show progress

We want young people to stay out of the youth justice system. When they do come to the attention of the system, we don't want them to enter the adult criminal justice system. The following indicators have been selected to highlight the number of young people who have come to the attention of the youth justice system once, and the number who re-offend. The logic is that effective youth justice services help to reduce the recurrence of youth offending.

Indicators – Young people are in education, training, work or other worthwhile activities

Indicator	Current	Trend
The number of young people who exit the Youth Transition Service into employment, training or further education:	Under development	New indicator being tested in the 2009/2010 year

Indicators – Young people who get into trouble stop offending

Indicator	Current	Trend
Youth justice clients with a repeat referral within six months of a previous one (per 1,000 of 14–16 year old population):	2.75% 2008	Improving
Youth justice clients with a repeat referral within six months to five years of a previous one (per 1,000 of 14–16 year old population):	1.34% 2008	Improving

Detailed information about the Ministry's performance in this area is contained in the Information Supporting the Estimates and in the 2009/2010 Output Plan.

Outcomes for Children – an overview

Government Priority

Keep at-risk children safe – with emphasis on under two-year-olds

Outcome

- Children are safe. Systems are in place to care for and protect children in at-risk families

To achieve this we will:

- intervene early
- strengthen care and protection
- promote permanency and stability of care

Departmental output expenses that contribute

Vote Social Development

- Adoption services
- Care and Protection Services
 - Output: Investigation and Assessment
 - Output: Case Management
 - Output: Children in Care
 - Output: Resolution Services
 - Output: Court-ordered Assessments and Reports under other Enactments
- Family and Community Services
 - Output: Facilitation, Leadership, Influencing and Co-ordination Processes
 - Output: Development and Management of Early Intervention and Preventative Social Services Programmes
 - Output: Provision of Information and Advice
 - Output: Positive Parenting
- Policy Advice and Support to Ministers (MCOA)
 - Social Policy Advice Output Class
 - Output: Ministerial Servicing
 - Output: Social Services Policy Advice
 - Output: Strategic Social Policy Advice
 - Crown Entity Monitoring Output Class
- Prevention Services

Children are safe. Systems are in place to care for and protect children in at-risk families

The early years of a child's life are of critical importance to their overall development. A safe, happy, and healthy early life can improve a child's health, learning ability, and development.

While most young New Zealand children live in safe, secure, and loving environments, there are some whose circumstances place them at risk of poor outcomes. We know that negative early-life experiences can have serious long-term consequences. Preventing or reducing risk factors for a young child is more likely to improve their life chances.

Infants under two years are particularly at risk of harm because they are totally reliant on adults for their needs, they are physically fragile and they have limited capacity to communicate. During 2007/2008 we received 9,133 notifications for children under two years of age. Fifty-three per cent required further action, and in 45 per cent of these situations abuse or neglect was substantiated. It was necessary to take 567 under two-year-olds into care.

Our first priority is for children to remain with their own family. Where this does not provide a safe and secure environment we seek a permanent solution within the wider family, or a permanent home with non-kin caregivers.

Having a sense of belonging and a secure and stable home is important for all children and we will endeavour to minimise multiple placements that can negatively impact on the child's development and sense of belonging.

Over the next three years we will:

- Respond early to notifications involving very young children to ensure we minimise risks to their safety and we support positive long-term outcomes.
- Wrap services around families with the greatest need so their children have the best possible start in life.
- Deliver school-based social services to children in low decile schools whose circumstances place at risk their chances of achieving good health, education and wellbeing outcomes.
- Find permanent homes for infants in the care of Child, Youth and Family by reviewing their cases every three months so they have the opportunity to build strong secure relationships.
- Offer a range of services to meet a family's needs by assessing notified cases of abuse or neglect up-front to determine if the Ministry or a partner agency needs to become involved with the family.
- Roll out the Health and Education Needs Assessment Framework for all children and young people in care. This provides an overall picture of their health, disability and education needs to help caregivers to look after these children and young people. We will do this with the District Health Boards.
- Investigate how *maatua whangai* should develop within Child, Youth and Family.

How we will show progress

The rates of abuse and neglect of New Zealand children are listed below. The logic is that by providing effective services to vulnerable families we will help to reduce the incidence of child abuse and neglect, and to reduce its recurrence. Our progress will be evident if fewer children repeatedly come into our care or attention.

Indicators – Children are safe. Systems are in place to care for and protect children in at-risk families

Indicator	Current	Trend
Cases of abuse and neglect substantiated		
The proportion of children assessed as abused or neglected following a notification to Child, Youth and Family (per 1,000 of children in New Zealand aged 0–16 years population):	1.37%	Increasing
Rate of re-substantiated abuse/neglect		
Rate of substantiated abuse/neglect within six months of a previous abuse/neglect finding (per 1,000 of children in New Zealand aged 0–16 years population):	0.16%	Increasing

Detailed information about the Ministry's performance in this area is contained in the Information Supporting the Estimates and in the 2009/2010 Output Plan.

Outcomes for Older People – an overview

Government priority

Support the independence of older people

Outcome

- Older people are supported and participate in their communities

To achieve this outcome we will:

- build responsive services
- encourage contribution and participation
- improve protection for older people

Departmental output expenses that contribute

Vote Social Development

- Family and Community Services
 - Output: Facilitation, Leadership, Influencing and Co-ordination Processes
 - Output: Provision of Information and Advice
- Income Support and Assistance to Seniors
- Management of Service Cards (MCOA)
 - Administration of Community Services Card Output Class
 - Management of SuperGold Card Output Class
- Policy Advice and Support to Ministers (MCOA)
 - Social Policy Advice Output Class
 - Output: Ministerial Servicing
 - Output: Social Services Policy Advice
 - Output: Strategic Social Policy Advice
 - Crown Entity Monitoring Output Class

Vote Senior Citizens

- Senior Citizens' Services
 - Output: Senior Citizens' Services

Vote Veterans' Affairs – Social Development

- Processing and Payment of Veterans' Pensions
 - Output: Processing and Payment of Veterans' Pensions

Older people are supported and participate in their communities

Many older people lead healthy, active lives, and experience the lowest levels of material hardship of all age groups in New Zealand.² They contribute their experience, knowledge and wisdom to the wider community by volunteering or in other ways. We will provide tailored support for older people.

In the future older people may be less likely to own their own home. This could mean an increasing proportion of them become susceptible to material hardship. We need to develop responsive, integrated services that meet the level of need of a diverse client group, from those who require intensive support to those who require little to no contact.

The recession is likely to be particularly tough on older people. International research indicates that workers aged 55 years and over are among the groups most likely to become long-term unemployed or to leave the labour market entirely if they lose their jobs.

Elder abuse and neglect can be a hidden crime. It may not take a physical form. Older people may also experience psychological, emotional or financial abuse at the hands of caregivers and family members.

² The *New Zealand Living Standards 2004* survey estimated that 8 per cent of older New Zealanders were living in hardship, compared to 21 per cent of those aged 18–64 years.

Over the next three years we will:

- Pay New Zealand Superannuation at a minimum of 66 per cent of the net average weekly wage and supplementary additional assistance to help older people meet extra costs, for example the disability allowance.
- Make pension arrangements more flexible, as described in the Social Assistance (Payment of New Zealand Superannuation and Veteran's Pension Overseas) Amendment Bill 2008.
- Provide an online eligibility assessment and application service for seniors, so older people can access services independently and from their own home, whenever possible.
- Help older people to get and keep work by working with employers to implement flexible practices to improve opportunities to hire and retain older workers.
- Provide job search support where appropriate to help older New Zealanders into work.
- Provide leadership on issues that have an impact on older people and work with others to achieve results.
- Review and report on Positive Ageing Strategy Action Plans so we know if we are achieving the positive ageing goals.
- Provide support to young families who need it through the SAGES – Older People as Mentors programme, at the same time providing the older people involved with a sense of worth and purpose.
- Work with the network of Volunteer Community Co-ordinators for the Office for Senior Citizens to make sure the views of older New Zealanders are represented in policy development and research.
- Prevent or reduce the incidence of abuse and neglect through Elder Abuse and Neglect Prevention Services.
- Implement the Enduring Powers of Attorney provisions.
- Develop and distribute a Carers' Strategy Information Pack for informal carers, to ensure they are informed about supports available to them. Informal carers are usually family and whānau members who are taking care of unwell or disabled loved-ones.

How we will show progress

The following indicators have been selected to highlight the wellbeing of older New Zealanders. The logic is that if we are successful in ensuring older New Zealanders get access to New Zealand Superannuation and other entitlements they are less likely to endure undue hardship and will be better able to participate in their communities.

New Zealand currently compares well with its OECD counterparts for the number of workers aged 55 years and over who participate in the workforce. The workforce participation rate for workers aged 55 and over reached 43 per cent for the year to December 2008, compared with 29 per cent for the year to December 1998. It is expected the 'baby boomers' will continue this trend of remaining in work longer.

Indicators – Older people are supported and participate in their communities

Indicator	Current	Trend
Proportion of older people (65+ years) with net-of-housing-cost incomes below 60 per cent of median	8% 2007	Increasing

Source: Perry, B. (2008) *Household incomes in New Zealand: trends in indicators of inequality and hardship 1982 to 2007* Ministry of Social Development, Wellington

Proportion of older people (65+ years) in employment	15.2% 2008	Increasing
--	---------------	------------

Source: Statistics New Zealand Household Labour Force Survey, annual average for the year ended December 2008

Percentage of older people aged 65 and over who undertook "other voluntary work"	18% 2006	Increasing
--	-------------	------------

Source: Statistics New Zealand Census 2006 'Other voluntary work' is defined as including unpaid work for or through any organisation, group or marae.

Detailed information about the Ministry's performance in this area is contained in the Information Supporting the Estimates and in the 2009/2010 Output Plan.

Outcomes for Families and Whānau – an overview

Government priority

Improve support for families – and young parents in particular

Outcome

- Families and whānau provide a secure home environment to nurture children and support family members

To achieve this we will:

- provide early support and intensive support to high need and at-risk families

Departmental output expenses that contribute

Vote Social Development

- Care and Protection Services
- Development and Funding of Community Services
- Family and Community Services
 - Output: Facilitation, Leadership, Influencing and Co-ordination Processes
 - Output: Development and Management of Early Intervention and Preventative Social Services Programmes
 - Output: Provision of Information and Advice
 - Output: Positive Parenting
- Management of Service Cards (MCOA)
 - Administration of Community Services Card Output Class
- Policy Advice and Support to Ministers (MCOA)
 - Social Policy Advice Output Class
 - Output: Social Services Policy Advice
 - Output: Strategic Social Policy Advice
 - Crown Entity Monitoring Output Class

Families and whānau provide a secure home environment to nurture children and support family members

Strong, safe and resilient families raise healthy, well-balanced children.

Resilient families pull together in tough times and support each other.

Most families can call on their extended whānau for the support they need, but not all families can.

The sooner families who need help get it, the better the results. We will provide families with access to good parenting information and programmes to help them address problems early. We will also provide intensive home visiting programmes to families with high needs and ensure whānau-centred programmes are available. All programmes will continue to be evaluated to ensure they are effective.

We will help parents to get into and stay in work. Work is important not only for the income it brings into the family but also for the positive example it provides for children. Where parents are unable to get work we will pay benefits until they return to work.

Many parents find it hard to find good childcare programmes to meet their needs. We will continue to improve access to quality early childhood education for at-risk families and better access to childcare while parents are at work, during school holidays or after school.

Teen parents face higher hurdles than other new parents. We will target our services so teen parents get the support they need to access parenting and mentoring support, and to continue their education. We will also provide serious young offenders with training and support in parenting skills where the court orders this.

We are committed to addressing and reducing the impact of family violence to support all families to be the best they can be.

Over the next three years we will:

- Help parents get into and stay in work. Where this is not possible we will provide benefits until they return to the workforce.
- Provide early support and intensive support to families who need it, and fund more after-school activities and holiday programmes.
- Provide integrated services to at-risk families, pulling together Government agencies to ensure effective, co-ordinated activity.
- Make the Young Parent Childcare payment available to all young parents not receiving any other financial assistance so they can complete their education.
- Provide young parents with mentors who can share their parenting knowledge and experiences and give young parents the support they need.
- As part of our action against violence within families, take advice from the Māori and Pacific Reference Groups so our programmes are responsive to the needs of Māori and Pacific peoples.
- Change New Zealanders' attitudes and behaviours towards family violence through a programme of action.
- Ensure informal carers know about the supports available to them by distributing a Carers' Strategy Information Pack.

How we will show progress

Families living in poverty are more likely to be at risk of family violence. By providing targeted early intervention and prevention services for these families, and by ensuring they receive all the support they need including financial assistance, these families will become more resilient. The number of family violence incidents recorded is increasing. If our approach is effective, over time we can expect this to decrease. In the short term, the increased awareness of the problem can lead to an increased recording of family violence incidents.

We want secure home environments to nurture children and family members. Over time the impact of our programmes to raise public awareness and to support families should reduce the incidence of family violence in New Zealand homes. Reducing the incidence of family violence is an indication that home environments are becoming more stable and secure. We realise that, in the short term, increased reporting of family violence may occur as increased awareness leads to greater reporting.

Outcome indicators – Families and whānau provide a secure home environment to nurture children and support family members

Indicator	Current	Trend
Percentage of households with dependent children with net-of-housing-cost incomes below 60 per cent of median	15% 2007	Declining

Source: Perry, B. (2008) *Household incomes in New Zealand: trends in indicators of inequality and hardship 1982 to 2007*, Ministry of Social Development, Wellington

Percentage of households with dependent children with no adult employed	11.6%	Declining
---	-------	-----------

Source: Statistics New Zealand, Household Labour Force Survey, derived by the Ministry of Social Development.³

Number of family violence incidents recorded	43,238 2008	Increasing
--	----------------	------------

Source: New Zealand Police 2007/2008 Annual Report, p 35

Effectiveness of the Integrated Service Response initiative	Under development	No trend available
---	-------------------	--------------------

Detailed information about the Ministry's performance in this area is contained in the Information Supporting the Estimates and in the 2009/2010 Output Plan.

³ Excludes households where all members are outside the ages of 18–64 years. (This is a measure of parental employment. Excludes households with both dependent and adult children because adult children could be employed.)

Outcomes for Communities, Hapū and Iwi – an overview

Government Priority

Non-government organisations deliver effective services to New Zealanders

Outcome

- Assist individuals and families to live in communities that provide them with the support they need to function effectively

To achieve this outcome we will:

- support communities and community organisations
- build the capability of communities
- support other government agencies to work effectively with community organisations in their spheres of work to achieve common goals

Departmental output expenses that contribute

Vote Social Development

- Family and Community Services
- Policy Advice and Support to Ministers (MCOA)
 - Social Policy Advice Output Class
 - Output: Social Services Policy Advice
 - Output: Strategic Social Policy Advice
 - Crown Entity Monitoring Output Class

Assist individuals and families to live in communities that provide them with the support they need to function effectively

Services provided in the community need to be effective and achieve results. To get best results, services delivered by community and voluntary organisations need to complement services delivered by government departments. We need to work together to make best use of limited resources. To be successful we need to build strong, trusting relationships both within the community sector and between the sector and government departments. We need to regularly look at new ways of working.

We will build on the strengths and skills of communities and community organisations to help families in need. We will also make it easier for them to work with each other and central government to provide families with support they need so they can take positive action to cope better with adversity. Over the long term this will reduce the need for Government interventions in families' lives.

Community organisations have insight into the issues facing their communities. They know what help is available locally. They are active in finding local solutions to local issues, often in low-cost and innovative ways. While they need to determine their own priorities and to find their own solutions, they also need to work with others. We will broaden and strengthen networks and mechanisms to help community sector organisations work together and with central government on areas of shared concern, such as common clients, governance and funding.

Many organisations want to include a Māori perspective to ensure they deliver services that are both effective and responsive to Māori. Community and voluntary sector organisations find that a strong understanding of kaupapa Māori improves the effectiveness of their services to Māori.

Many unpaid New Zealanders care for friends, family or whānau members who cannot manage everyday living without help and support. Barriers to self-care often include ill health, disability, old age or mental health issues. Part of our role is to promote carers being supported and recognised for their contribution.

Whānau ora, a whānau-centered approach to policy development, involves facilitating positive and responsive relationships within whānau - recognising the need for a whole-of-government/whole-of-sector approach⁴ to meet all elements of whānau wellbeing.

⁴ This includes health, education, housing, welfare, employment and lifestyle as elements of whānau wellbeing.

Over the next three years we will:

- Meet the needs of those most affected by the economic downturn. We will do this by implementing a fund for non-government community based organisations to address the demand for social services due to the recession.
- Support through a Contingency Fund those NGOs delivering critical community based social services and facing cost pressures and demand pressures as a result of the recession.
- Help refugees and migrants identify their own social support needs so they can take part more fully in life in their community through community based services.
- Ensure informal carers know about the supports available to them by distributing a Carers' Strategy Information Pack.
- Facilitate and co-ordinate Government engagement with communities through a regional community and voluntary sector network. This will enable non-government organisations to share common concerns and to connect with central Government on new solutions to both local and organisational issues.
- Support an integrated approach to whānau wellbeing, which includes collaborative relationships between the State sector and the recognition of intermediaries between the State and whānau who are able to champion whānau interests.

How we will show progress

We will develop indicators that measure our success in supporting communities/community organisations and in building community capability.

Detailed information about the Ministry's performance in this area is contained in the Information Supporting the Estimates and in the 2009/2010 Output Plan.

Organisational health and capability

The context of our changing environment

Since the creation of the Ministry, we have successfully managed significant organisational change. We have merged new functions and created new Offices while continually improving business processes and reducing overhead costs.

We will continue to constructively and carefully manage change – by improving systems, redesigning business processes, and further reducing overhead costs. One of the ways we are doing this is by developing technology to improve our clients' ability to help themselves, with online tools designed to provide information and resources for effective self management and decision making. This will free up resources to provide the same level of service to clients with fewer staff. Staff reductions will occur where work can be taken out of the system. We will also increase resources to meet a growth in demand.

By capturing savings through successive Value for Money Reviews we are able to meet the cost of our core processes without additional resources for the next three years. We have created the capacity to manage up to 60,000 Unemployment Benefit job-seekers. However, we have signaled we may need extra resources if Unemployment Benefit job-seekers exceed the numbers forecast.

At March 2009, there were 37,000 people receiving an Unemployment Benefit. While this is up from 19,000 last year, it represents 1.4 per cent of the workforce. The Ministry's strategies to manage increased work volumes include redeploying case managers to do job search and recruiting additional staff. We continually monitor staffing levels at our regional and frontline sites to ensure we are managing our work volumes. We also expect flow-on volume increases in other Ministry service lines, such as StudyLink and Child, Youth and Family.

Our case management approach to getting people into work is the core element of our effectiveness. Partnering income support with employment services gives us an advantage. New Zealand is more successful than other comparable

OECD countries in placing people into and holding people in work, particularly people from vulnerable groups. Case managers assess each client's total range of needs when they first register for a benefit. The case manager sets out the requirements the client needs to meet, where necessary helps them to meet them, and monitors the client's progress.

Our people

The Government has released its expectations that pay and employment conditions across the State sector will be fiscally sustainable within baselines, responsible, and demonstrate value for money. We will make sure these expectations are met.

The Ministry provides staff with challenging and meaningful work, sets clear expectations, gives them a chance to apply their skills, issues performance feedback, and offers opportunities for ongoing learning and development.

The Ministry's staff turnover has been in line with the public service average, currently sitting at around 10 per cent. Incidences of personal grievances sit below the public service average. We have 6,140 staff on six separate collective employment agreements, including four with the New Zealand Public Service Association.

Developing our people

Our staff need to be able to learn, to respond effectively to change, and to maintain a clear focus on results. We help people to develop their skills through 'on the job' experience and 'learning by doing'.

To provide our staff with the broad skillset required for working with individuals and families, and with other organisations, we have introduced NZQA-recognised qualifications. Our qualifications programme gives our staff access to a broad range of training material to enable them to work through complex situations with clients and their families. Work and Income currently has 480 staff working towards NZQA qualifications such as National Certificates in Employment Support and Public Sector Services.

We support our social workers through education and registration. More than 75 per cent of Child, Youth and Family field social work staff have a level six or higher social work qualification. Around 850 of our Child, Youth and Family staff are registered social workers, with a further 300 currently working towards social worker registration.

The Ministry's demographic profile reflects that of the New Zealand population and our client base. Half of all the Ministry's senior managers are female, 25 per cent of our staff identify as Māori, 12 per cent as Pacific peoples, and 7 per cent as Asian.

To contribute to demographic diversity, staff with the potential to be Māori and Pacific leaders are asked to participate in our Te Aratiatia programme. The programme is designed to prepare them for management roles. Te Aratiatia has been very successful to date: since 2002, almost 80 per cent of participants have been appointed to manager or more senior roles. Sixteen Ministry staff are currently participating in the programme.

Developing and supporting our leaders

We identify and develop employees who will make great leaders. The newly introduced Emerging Leaders programme provides selected staff members with a 9–12 month programme of training and practical work to build on their skills and knowledge. Up to 36 Ministry staff will work through the programme this year. This forms part of our wider management and leadership development programme.

Our technology

Effective technology is important to support our clients. It allows them to help themselves. It reduces our overheads and operating costs.

Improving services through the technology

We will improve technology systems to support the work of case managers. We are digitising client records to reduce the time spent working with paper-based files. Over the next few years we intend to introduce new online services for working age and older clients so they will be able to:

- update personal details, declare income, and view payments and debt balances online
- work out their entitlements, apply for many types of assistance over the internet, and receive correspondence electronically
- apply online for job vacancies listed by employers we're working with.

Our online tools will help students to make informed decisions about their study and its funding.

We have a new client management system (CMS) to better support Work and Income. We completed our CMS phase 1 implementation last year. This phase gives staff the ability to automatically assess clients' individual circumstances and to direct them to employment and training services. Plans for future CMS phases are in development. This year we will complete the conversion of our SWIFTT system to a modern IT platform.

Child, Youth and Family has recently launched the Practice Centre, a repository of current, straight-forward, and accurate information for social workers to quickly and easily get answers to their most pressing questions and concerns. We will continue to develop our Child, Youth and Family data-warehouse 'Te Pakoro' and case management system CYRAS to make sure they are continually fit for purpose.

Our property

The Ministry operates out of about 300 locations nationwide. Around 80 per cent of our staff work in frontline delivery. This makes us the biggest branch office network in New Zealand, with offices in nearly every community. This enables us to provide face-to-face delivery of a broad range of social services.

We have, in several cases, joined up with other government and non-government agencies to use the same workspaces. It is both more effective and more efficient to share facilities when we are often working with common clients. Over the next few years we will look to share our facilities with other agencies to enhance our services to common clients.

We have a property maintenance plan to ensure our property is prudently managed. We will continue to review both our national office and regional accommodation needs to ensure all our spending provides value for money and is linked to the delivery of effective services.

Managing in a changing environment

New Zealanders have the right to trust the Ministry and to have confidence in the way it operates. Given the Ministry's size, and the breadth of its policy and delivery roles, risk management is an essential part of everyday business. Fraud and abuse of the benefit system, both internal and external, is a key risk for the Ministry.

We have well-established and effective performance and risk management processes, headed by the Chief Executive and Leadership Team. Our approach is delivered through an extensive programme of risk management activity, incorporating strategic risk reviews and risk stock-takes that assess the risk maturity levels of individual business groups.

The full impact of the recession on the Ministry cannot be predicted. We anticipate a continued growth in the number of new clients. We know that greater client numbers, combined with the impact of the recession, will be likely to increase the number of attempted frauds. Our approach to risk management is even more important under these conditions.

How we manage fraud

We take an intelligence-led approach to benefit fraud and abuse. This means that we scan the environment for emerging threats, use risk profiles to identify areas of vulnerability, and analyse the results of our fraud investigations for future work. This allows us to efficiently and effectively target clients who are the most likely to commit benefit fraud and abuse. This approach addresses both the changing patterns of fraud and abuse in the system, and emerging threats.

Zero tolerance to fraud means that any deliberate fraud will not be tolerated. In every case where a staff member has been found, after due process, to have committed internal fraud they will be dismissed. We actively recover all overpayments resulting from fraud and abuse, and prosecute people where there is evidence of deliberate, planned, and premeditated fraud.

Our leadership and governance

Once a month, the Chief Executive chairs a meeting with the Leadership Team and key senior managers to discuss organisational performance and financial management. A separate monthly meeting convenes to manage Strategic and Business matters.

The Audit Committee and a Value for Money Advisory Board, operating independently of the Leadership Team, provide expert advice from people outside the Ministry. Both are chaired independently by individuals with extensive private sector business experience. The Audit Committee includes two other external members, and the Value for Money Advisory Board includes private sector experts and representatives from the Treasury. Both governance committees operate with a clear mandate from the Chief Executive.

We will continue to strengthen and enhance our practices and procedures to build a risk-smart culture to maintain the public's confidence in the Ministry.

Stakeholder relationships

The Ministry values its relationships with the community, voluntary and government sectors. Maintaining open, honest, respectful relationships enhances the public's trust in the Ministry. We maintain a wide range of formal and informal networks to help us achieve this.

Departmental capital intentions

Capital forecast expenditure

	Forecast	Forecast	Forecast	Forecast
	2009/2010	2010/2011	2011/2012	2012/2013
	\$'000	\$'000	\$'000	\$'000
Computer hardware	13,650	12,250	8,975	9,375
Computer software	35,776	22,980	22,370	18,500
Leasehold improvements	16,445	12,115	6,180	6,181
Motor vehicles	8,000	8,000	8,000	8,000
Plant and equipments	1,050	1,050	1,050	1,050
Residential buildings	51,408	30,850	7,500	6,250
Total	126,329	87,245	54,075	49,356

Variance explanations

- * Forecast computer hardware and software spending in 2009/2010 and 2010/2011 includes a range of initiatives designed to enable the Ministry's Value for Money plans.
- ** Leasehold improvements costs in 2009/2010 and 2010/2011 include a range of upgrades to Child, Youth and Family sites to rectify deferred maintenance.
- *** Residential building costs in 2009/2010 and 2010/2011 include the construction of a new Child, Youth and Family youth justice facility in the Bay of Plenty and the expansion of the youth justice facility in Palmerton North. Both facilities support increased service volumes and their costs were approved as part of Budget 2007.
- **** Capital costs may also be impacted by a proposal from AMP Capital Properties to redevelop the existing Bowen Street site (Wellington). If the project were to go ahead, this would allow the Ministry to consolidate its head office functions. We are preparing a paper on this proposed development for consideration by Cabinet in June 2009.

Assets

Each year we conduct a capital expenditure planning process to ensure :

- capital investment is targeted to meet business needs
- assets are appropriately replenished.

This process is supported by robust asset management systems, which include ongoing assessments and stock-takes of capital assets.

We have programmes in place to manage the replacement of assets. Motor vehicles are replaced every three years/60,000 kms, photocopiers every five years and computers and other information technology peripherals every three to five years.

We also maintain appropriate warranty and support provisions on all key assets.

Capital and asset management (CAM)

We have adopted Treasury's capital asset management framework. This framework supports quality information being available for decision making, financial planning and performance monitoring purposes. We maintain a strong focus on ensuring the effective and efficient use of our capital resources.

New Zealand Government