



28 NOV 2016

On 5 September 2016 you emailed the Ministry requesting, under the Official Information Act 1982, information regarding In-Work New Zealand (NZ).

As you are aware In-Work NZ are currently funded to deliver employment outcomes and health related services which prepare clients to achieve sustainable employment in a number of regions including Auckland, Canterbury, Waikato and Wellington. In-Work NZ has received funding from the Ministry since 2001.

Historically, In-Work NZ has been one of the Ministry's higher performing employment services providers and they consistently achieve their targets. The Ministry last tendered services in 2016 in which In-Work NZ was recommended for Training for Work and Work to Wellness in Auckland, and Employment Placement Services in Canterbury.

Whilst In-Work NZ holds multiple contracts across the 4 regions, only the Auckland Region reported any outcomes being achieved where a client was placed into employment in a hotel. 21 clients were placed in employment in hotels. Of this, 16 clients were employed by International Hotels Systems Limited.

The Auckland regional office works closely with In-Work NZ and when they become aware of any issues with clients they immediately contact In-Work to address those concerns.

Outcome based contract rates for employment services

The enclosed tables show the breakdown of funds paid to In-Work NZ for each worker placed into part-time and full-time work. It is important to note that contract payment values are set by the regions and are independent of National Office.

Rates are based on a number of factors that may include the state of the labour market, the cost of living and the client's cohorts', for instance an increased may be paid to reflect the additional work required to manage a more challenging target group. Regions can also determine what services they purchase from In-Work as some regions may choose to only focus on clients with full time work obligations.

Regional contracts are paid on both an activity and incentive base. Providers are given a small upfront administration payment to ensure they have the ability to provide the necessary service. This is typically 20 per cent of the total value paid on a quarterly basis. The subsequent payments are achieved when a client is placed in employment and upon sustaining employment for different milestones such as 31, 91, 182 or 365 days.

For some contracts, where providers support clients in achieving part-time employment, milestone payments still apply and are paid when a client is declaring income and has gained employment which meets their benefit obligations.

The principles and purposes of the Official Information Act 1982 under which you made your request are:

- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter and any attached documents available to the wider public after ten working days. The Ministry will do this by publishing this letter on the Ministry of Social Development's website. Your personal details will be deleted and the Ministry will not publish any information that would identify you as the person who requested the information.

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

You have the right to seek an investigation and review by the Ombudsman of this response. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Yours sincerely



Ruth Bound
Deputy Chief Executive, Service Delivery

R.P. Bryan Amundale - Stone

**Auckland
2014/15 Incentive Fees**

Contract name/ type	LLTBR or SI Rating	31 Days Placement Fee	182 Days Milestone Fee	365 Days Milestone Fee
Rodney Employment Initiative	Low, Medium or High	\$1,350 Part-Time	Not applicable	Not applicable
Sole Parent Employment Services	Low, Medium or High	\$1,200 Part-Time	\$750	\$750
Training for Work	Medium	\$500	\$500.	Not applicable
	High	\$1,500	\$1,500	Not applicable
Sole Parent Employment Service	Medium SI Rating	\$1,125 (15-29 hours per week, part-time work obligated clients only)	\$563 (15-29 hours per week, part-time work obligated clients only)	\$563 (15-29 hours per week, part-time work obligated clients only)
	High SI Rating	\$1,875 (15-29 hours per week, part-time work obligated clients only)	\$750 (15-29 hours per week, part-time work obligated clients only)	\$750 (15-29 hours per week, part-time work obligated clients only)
	Very High SI Rating	\$3,375 (15-29 hours per week, part-time work obligated clients only)	\$1,500 (15-29 hours per week, part-time work obligated clients only)	\$1,500 (15-29 hours per week, part-time work obligated clients only)
	Very High SI - subsidy accessed	\$1,500 (15-29 hours per week, part-time work obligated clients only)	\$1,500 (15-29 hours per week, part-time work obligated clients only)	\$1,500 (15-29 hours per week, part-time work obligated clients only)

Note:
Likelihood of Long-Term Benefit Receipt (LLTBR)
Service Investment (SI)

2015/16 Incentive Fees

Contract Type	LLTBR or SI Rating	31 Days Placement Fee	91 Days Milestone Fee	182 Days Milestone Fee	365 Days Milestone Fee
Jobseeker Support Health Condition, Injury and Disability Service Pilot	Low, Medium or High	\$1,500 Part-Time	\$1,450	\$1,450	Not applicable
Rodney Employment Initiative	Low, Medium or High	\$1,350. Part-Time	Not applicable	Not applicable	Not applicable
Sole Parent Employment Services	Low, Medium or High	\$1,200 Part-Time	Not applicable	\$750	\$750

Contract Type	LLTBR or SI Rating	31 Days Placement Fee	91 Days Milestone Fee	182 Days Milestone Fee	365 Days Milestone Fee
Training for Work	Medium	\$500	Not applicable	\$500	Not applicable
	High	\$1,500	Not applicable	\$1,500	Not applicable
Sole Parent Employment Service	Medium SI Rating	\$1,125 (15-29 hours per week, part-time work obligated clients only)	Not applicable	\$563 (15-29 hours per week, part-time work obligated clients only)	\$563 (15-29 hours per week, part-time work obligated clients only)
	High SI Rating	\$1,875 (15-29 hours per week, part-time work obligated clients only)	Not applicable	\$750 (15-29 hours per week, part-time work obligated clients only)	\$750 (15-29 hours per week, part-time work obligated clients)
	Very High SI Rating	\$3,375 (15-29 hours per week, part-time work obligated clients only)	Not applicable	\$1,500 (15-29 hours per week, part-time work obligated clients only)	\$1,500 (15-29 hours per week, part-time work obligated clients only)

Contract Type	LLTBR or SI Rating	31 Days Placement Fee	91 Days Milestone Fee	182 Days Milestone Fee	365 Days Milestone Fee
Sole Parent Employment Service	Very High SI -subsidy accessed	\$1,500 (15-29 hours per week, part-time work obligated clients only)	Not applicable	\$1,500 (15-29 hours per week, part-time work obligated clients only)	\$1,500 (15-29 hours per week, part-time work obligated clients only)

Canterbury

2014/15 Incentive Fees - Part-time and Fulltime (GST exclusive)

LLTBR	Milestone	Fee	Milestone	Fee	Milestone	Fee
Low	Placement	\$400	91 Days CE	\$1,600	182 Days CE	\$400
Medium	Placement	\$400	91 Days CE	\$1,600	182 Days CE	\$400
High	Placement	\$600	91 Days CE	\$2,400	182 Days CE	\$600

2015/16 Incentive Fees - Part-time and Fulltime (GST exclusive)

LLTBR	Milestone	Fee	Milestone	Fee	Milestone	Fee
Low	Placement	\$400	91 Days CE	\$1,200	182 Days CE	Not applicable
Medium	Placement	\$800	91 Days CE	\$1,800	182 Days CE	Not applicable
High	Placement	\$800	91 Days CE	\$1,800	182 Days CE	Not applicable

Waikato

Contract Name	Part time payment amount
Training for Work- Jump Start	\$1,500
Employment Placement Service Hamilton Metro	\$1,250
Mahi Hauora-(HCID service) WORKWELL	\$1,620
Jump Start -Training for Work	LLTBR: Medium \$500/ LLTBR: High/ \$1500
Outcome Based	\$1,200
Te Oranga & Te Mana Whakahaere	\$1,350

Wellington

2014/15 Incentive Fees – Part Time

Contract Type	LLTBR	Placement Fee	6 Month Milestone Fee	12 Month Milestone Fee
Employment Placement Service	Medium or High	\$750	\$500	Not applicable
Training for Work	Medium	\$500	\$500	Not applicable
	High	\$1,500	\$1,500	Not applicable
Sole Parent Employment Services	Medium, High or Very High	Up to \$4,500 depending on hours	Up to \$2,000 depending on hours	Up to \$2,000

2015/16 Incentive Fees – Part Time

Contract Type	LLTBR	Placement Fee	6 Month Milestone Fee	12 Month Milestone Fee
Employment Placement Service	Medium or High	\$750	\$500	Not applicable
Training for Work	Medium	\$500	\$500	Not applicable
	High	\$1,500	\$1,500	Not applicable

Contract Type	LLTBR	Placement Fee	6 Month Milestone Fee	12 Month Milestone Fee
Sole Parent Employment Services	Medium, High or Very High	Up to \$4,500 depending on hours	Up to \$2,000 depending on hours	Up to \$2,000