



Ministry of Social Development

Strategic Intentions

2015-2019



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

We help New Zealanders to help themselves to be safe, strong and independent.

Our Principles

Ministry of Social Development people:

- All own what we all do
- Take responsibility for what we do
- Understand our role in the big picture, who can help us and who we can help
- Navigate through ambiguity and the opportunity it brings to create better ways of doing things
- Act with integrity, courage and transparency
- Celebrate our achievements and those of our clients.

This work is licensed under the Creative Commons Attribution 3.0 New Zealand licence. In essence, you are free to copy, distribute and adapt the work, as long as you attribute the work to the Crown and abide by the other licence terms.

To view a copy of this licence, visit <http://creativecommons.org/licenses/by/3.0/nz/>. Please note that no departmental or governmental emblem, logo or Coat of Arms may be used in any way which infringes any provision of the Flags, Emblems, and Names Protection Act 1981. Attribution to the Crown should be in written form and not by reproduction of any such emblem, logo or Coat of Arms.

Published June 2015
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: 1175-9895 (print)
ISSN: 1178-3389 (online)

Contents

Minister's foreword	2
Chief Executive's introduction	3
Statements of responsibility	4
Nature and scope of functions	5
Strategic intentions	7
Strategic direction	11
Delivering our strategic intentions	15
Changing how we work	27
Organisational health and capability	31
Financial management and capital intentions	33
Assessing our performance	35

Minister's foreword

The Government is committed to providing Better Public Services for all New Zealanders.

The Ministry of Social Development has a key role in contributing to the Government's goals. The Ministry lead or is a major contributor to Better Public Service targets aimed at reducing long-term welfare dependence, supporting vulnerable children, increasing the participation of young people in education and training, reducing crime and reoffending, and improving interaction with government.

Over the next four years, the Ministry will build on the success of the recent welfare reforms, strengthen connections across the public sector and with community organisations, and ensure services are focused on the right people, when and where they need it most.

Among those the Ministry and the wider sector are working to protect and support are our most vulnerable children and young people.

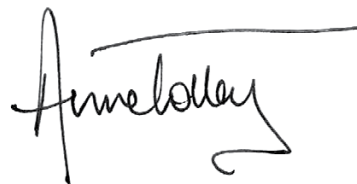
I have recently appointed an independent Expert Advisory Panel, tasked with developing a new operating model for our Child, Youth and Family service. This review is part of a wider approach alongside other Government initiatives to support vulnerable children and young people. The new model will ensure the Ministry's people are supported to do their job to the best of their abilities.

The Ministry is also addressing child hardship through a range of measures that will help New Zealand's poorest families, as part of a commitment to reduce benefit-dependent households and support people into work.

The Ministry of Social Development purchases more than \$330 million of social services every year. A new long-term Community Investment Strategy for social service investment will enable this funding to be targeted where it can make the biggest difference for at-risk children, young people and adults.

Through implementing a more results-focused and evidence-based approach, we can be sure taxpayer money has a positive and beneficial impact, and is spent wisely.

The Government has challenged the Ministry, and the wider social sector, to achieve better outcomes for New Zealanders. This Strategic Intentions document outlines the Ministry's plans to meet that challenge and deliver results that will support and strengthen our families, our communities and New Zealand.



Hon Anne Tolley

Minister for Social Development

Chief Executive's introduction

Strategic Intentions sets out the Ministry's direction and priorities for the next four years.

The Ministry is here to make a real difference in the lives of New Zealanders. Our purpose is to help them help themselves to be safe, strong and independent and our work touches the most vulnerable people in society, from the youngest to the oldest.

Working within an increasingly challenging and complex environment with fiscal constraints, rising costs, changing government and public expectations, and the opportunities of new technology means we are doing things differently.

We are working to become a single, cohesive organisation, centred on the people we serve and support. We'll achieve this, in part, through our internal cultural change programme, Building Blue. This programme will strengthen our capability, and help us become a more supportive and inclusive organisation.

The Ministry's staff are knowledgeable, motivated and engaged with the business we're in. I am proud of the work they do. Some of our staff work in difficult, and at times dangerous, circumstances. The tragedy at our Ashburton Office on 1 September 2014 was a stark reminder of this. Moving forward, the Ministry's commitment to ensuring the safety of all staff and clients is an absolute priority.

The future for us focuses on the public we serve. We can no longer expect people to be knocking on multiple doors to try and access the services they need, or spend hours queuing for services that can be delivered in other, more convenient ways. We will simplify our clients' experiences, and give them choices about how they access our services in the ways best suited to their needs and requirements – not ours.

Data is one of the key tools which will support our work over the next four years. Data will drive our policies and services, based on evidence. We will know which client interactions work, and more importantly, why. The use of data will fundamentally change the way we work together with other agencies and our partners across the community to better identify, support and protect vulnerable children.

We have an ambitious programme of change ahead, and one which we are carrying out while also maintaining our day-to-day work. The business of helping people doesn't stop. We may not always get it right but I am confident that the Ministry is heading in the right direction.

Strategic Intentions, along with our four-year plan, will guide and influence our work over the coming four years. And in time we will be able to look back and see how far we have come, what we have achieved and what we still need to do to deliver positive results for New Zealanders.



Brendan Boyle

Chief Executive
Ministry of Social Development

Statements of responsibility

Chief Executive's statement

In signing this information, I acknowledge that I am responsible for the information on strategic intentions for the Ministry of Social Development. This information has been prepared in accordance with section 38 and section 40 of the Public Finance Act 1989.



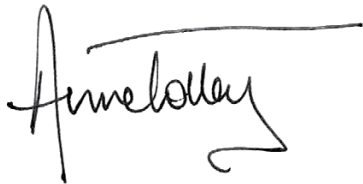
Brendan Boyle

Chief Executive
Ministry of Social Development

June 2015

Minister's statement

I am satisfied that the information on strategic intentions provided by the Ministry of Social Development is consistent with the policies and performance expectations of the Government.



Hon Anne Tolley
Minister for Social Development

June 2015

Nature and scope of functions

We help New Zealanders to help themselves to be safe, strong and independent.
Ko ta mātou he whakamana tangata kia tū haumarū, kia tū kaha, kia tū motuhake.

Our purpose

The Ministry of Social Development helps New Zealanders to help themselves to be safe, strong and independent.

Our role and functions

We achieve our purpose through providing:

- statutory care and protection of children and young people, youth justice services and adoption services
- funding for community service providers
- employment support
- income support including payments, entitlements and New Zealand Superannuation
- social housing assessments and services
- access to concessions and discounts for senior citizens, families and low-income New Zealanders
- student allowances and student loans
- information, knowledge and support for families and communities
- campaigns that challenge antisocial attitudes and behaviour
- services to uphold the integrity of the welfare system and minimise the debt levels of people we work with
- leadership across the social sector.

Better Public Services

The Ministry's Chief Executive, as Chair of the Social Sector Board, has responsibility for leading the cross-agency effort to achieve the following four Better Public Services (BPS) results:

- Reduce working-age client numbers by 25 percent, and reduce the long-term cost of benefit dependency by \$13 billion by June 2018 (*Result 1*)
- Increase participation in early childhood education (*Result 2*)
- Increase infant immunisation rates and reduce the incidence of rheumatic fever (*Result 3*)
- Reduce the number of assaults on children (*Result 4*)

The Ministry also contributes to the following four Better Public Services results:

- Increase the proportion of 18-year-olds with NCEA Level 2 or an equivalent qualification (*Result 5*)
- Reduce the rates of total crime, violent crime and youth crime (*Result 7*)
- Reduce reoffending (*Result 8*)
- New Zealanders can complete their transactions with the Government easily in a digital environment (*Result 10*).

Our scope

We administer over \$24.4 billion in government expenditure and provide services and assistance to more than 1.1 million New Zealanders and 110,000 families.

The Ministry provides services to the:

- Minister for Social Development
- Minister of State Services
- Minister for Social Housing
- Minister for Youth
- Minister of Revenue
- Minister for Senior Citizens
- Minister of Veterans' Affairs
- Associate Minister for Social Development
- Minister for Disability Issues.

We administer one Vote

- Vote Social Development.

We monitor four Crown entities

- Children's Commissioner
- Families Commission (Superu)
- New Zealand Artificial Limb Service
- Social Workers Registration Board.

We support statutory tribunals and advisory committees

- Expert Advisory Group on Information Security
- Modernising Child, Youth and Family Expert Advisory Panel
- Social Security Appeal Authority
- Student Allowance Appeal Authority
- Social Workers Complaints and Disciplinary Tribunal
- Taskforce for Action on Violence within Families
- Work and Income Board
- Nine Child, Youth and Family Residence Grievance Panels.

We provide leadership across government by:

- chairing the Social Sector Board, including the Vulnerable Children's Board and Joint Venture Board
- hosting the Children's Action Plan Directorate, the Social Sector Trials Programme Office, the all-of-government Property Management Centre of Expertise (PMCoE) and the Family Violence Unit
- co-ordinating two Treaty Settlement Social Sector Accords (Te Hiku and Tuhoe).

Our structure

Service Delivery cluster

This cluster provides services to people through the following service lines: Work and Income (including social housing), StudyLink, Senior Services, Integrity Services, Youth Service, Child, Youth and Family (CYF), and Community Investment.

Policy cluster

This cluster provides social sector-wide policy advice, including advising on issues relating to children, families, youth, income support, employment, social housing, older people, disability and social sector strategy.

The policy cluster includes the Office of the Chief Policy Advisor, the Ministry of Youth Development, the Office for Disability Issues and the Office for Senior Citizens.

Corporate cluster

This cluster supports the policy and service delivery clusters through the Organisational Integrity, Organisational Strategy and Organisational Solutions groups.

PMCoE provides all-of-government property management services.

Legislation we manage and administer

We operate in a complex environment governed by many key pieces of legislation. This provides the framework to support the decisions we make and ensure a fair system for all who use it.

A full list of legislation that the Ministry administers can be found at www.msd.govt.nz.

Strategic intentions

This section outlines our strategic intentions over the next four years. This includes the outcomes we are seeking to achieve for individuals, families and communities; the government priorities and results to which we will contribute; and our strategic direction.

Outcomes we are seeking to achieve

Helping New Zealanders to help themselves to be safe, strong and independent is our purpose.

The Ministry wants the people with whom it works with to play an active role in helping themselves to succeed on their own. The Ministry, however, will be there to help as required.

To fulfil our purpose, we have a clear focus on achieving outcomes for New Zealanders. We will know we are successful when:

- more people are in sustainable work and out of welfare dependency
- more people are able to participate in and contribute positively to their communities and society
- fewer children and people are vulnerable
- more communities are strong and thriving
- fewer children and young people commit crime
- fewer people commit fraud and the system operates with fairness and integrity.

All parts of the Ministry contribute to the outcomes we are seeking to achieve.

The link between our outcomes, intermediate outcomes and the Government's priorities for Better Public Services is provided in the diagram on page 10.

Contributing to government priorities

Our work also contributes to the Government's four key priorities:

- responsibly managing the Government's finances
- building a more productive and competitive economy
- delivering better public services
- continuing to support the rebuilding of Christchurch.

Delivering Better Public Services

A focus on achieving targets that matter for New Zealanders is changing the way agencies work together and with communities to deliver better public services.

Being a lead agency for a BPS Result Area means having formal accountability for its success. The lead agency performs a co-ordinating function by pulling together the right people from across the social sector.

Being a contributing agency for a BPS Result Area means supporting the lead agency to achieve success. It requires collaboration with other social sector partners and working together in different ways from how we have in the past.

Over the next four years, the Ministry will lead and contribute to cross-agency work to deliver better public services and achieve results that make a real difference for New Zealanders.

Reducing welfare dependence

The Ministry has had success in reducing the cost of benefit liability by applying investment approach principles to target our resources more effectively. This has meant the Ministry is on track to achieve BPS 1 targets for reducing long-term welfare dependence. As a result the Government has recently introduced new BPS 1 targets for the Ministry which will challenge us even further.

The Ministry is trialling new approaches to achieve outcomes for different types of clients, such as those who frequently rely on the benefit and we need the support of other agencies to achieve success. Social sector agencies have recently developed short and long-term initiatives that will contribute to reducing welfare dependence. Officials have identified seven short-term cross-agency trials, targeting high-liability client groups with whom the Ministry has not engaged intensively with in the past.

Supporting vulnerable children

The Ministry is leading cross-agency efforts to achieve all three key results within this priority area:

- *increase participation in early childhood education*, led by the Ministry of Education
- *increase infant immunisation rates and reduce the incidence of rheumatic fever*, led by the Ministry of Health
- *reduce the number of assaults on children*.

The Ministry has an ambitious programme of work to significantly change the way services are provided to the most vulnerable people in New Zealand society. Specifically, the Ministry is working with communities and the whole of government to fundamentally shift the way we work together to better identify, support and protect vulnerable children.

Getting better outcomes for vulnerable children will require a committed cross-agency effort. Children's Teams are one of the tangible ways we are integrating support for children at risk. They bring together professionals from iwi/Māori health, education, welfare and social service agencies to work with children and their families.

Boosting skills and employment

The Ministry is contributing to cross-agency efforts to *increase the proportion of 18-year-olds with NCEA Level 2 or an equivalent qualification*.

The Ministry will support young people at risk of long-term welfare dependency to get into education, training or work-based learning. Through Youth Services we will provide individualised services to support at-risk 16- to 19-year-olds. We will apply expectations for young people and wrap support and services around them to help them succeed.

Through the Social Sector Trials, the Ministry will work with the Ministries of Education, Health and Justice and the New Zealand Police to improve outcomes for children and young people by increasing their participation in education, training and employment.

The Ministry will also support young people to make positive life choices and encourage them to contribute to and participate in society.

Reducing crime

The Ministry is contributing to cross-agency efforts to *reduce the rates of total crime, violent crime and youth crime and reduce reoffending*.

The Ministry will continue contributing to cross-agency efforts to reduce the rates of total crime and reoffending by jointly working with the Department of Corrections to investigate the welfare-corrections interface. This will be done by developing and implementing joint trials to test different approaches to help ex-offenders enter employment.

Successful interventions will help to reduce the rates of total crime and reoffending, as well as long-term welfare dependence.

The Ministry is working with partner agencies on the Gangs Action Plan to reduce the inter-generational impacts of gang membership. This work, called Start at Home Part 2, includes initiatives to:

- improve mental health and addictions-related outcomes (with the Ministry of Health)
- make employment and training opportunities more available to gang families
- improve social results with children of gang member prisoners (with the Department of Corrections).

Improving interaction with government

The Ministry is contributing to cross-agency efforts to ensure *New Zealanders can complete their transactions with the Government easily in a digital environment.*

The Ministry works closely with the Department of Internal Affairs to support its Improving Interaction with Government Blueprint, by:

- acting as a member of an interagency digital services council
- being an early adopter of RealMe
- participating in prototype activity for projects that support integrated transactions with government.

In addition to this, the Ministry has developed its Simplification programme of work to improve our online services. Further detail on Simplification can be found on page 28.

Contributing to the Canterbury rebuild

Supporting the rebuild of Canterbury will remain a high priority for the Ministry.

Through our day-to-day work the Ministry will make a direct and indirect contribution to the region's recovery, supporting the multi-agency response and recognising the unique environment created by the earthquakes.

The Ministry is contributing to revitalisation in the region by:

- connecting people with employment opportunities created by the rebuild and repair programme, including supporting increased labour mobility from other regions to Canterbury
- re-establishing a Ministry presence in the Christchurch central business district and suburban areas and supporting the Christchurch Integrated Government Accommodation project
- working with government and non-government organisation (NGO) agencies to support psychosocial recovery, including the Community in Mind Strategy and its Programme of Action
- facilitating youth input into helping shape the recovery and revitalisation programme
- assisting homeowners and renters who need help finding suitable accommodation while their house is repaired

- working in partnership with local government and NGOs to support people into social housing
- providing short-term emergency housing for those most in need
- helping to improve preparedness to meet public welfare needs in large-scale emergency events
- assisting our staff in Canterbury to rebuild their resilience and wellbeing, and supporting them to continue delivering efficient and effective services in the region.

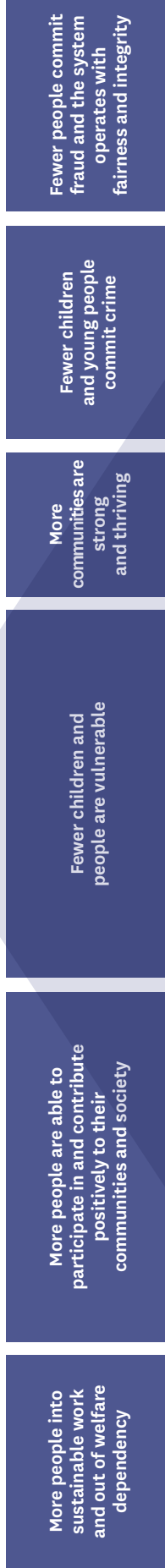
Linking it all together - how our priorities contribute to our outcomes and government priorities

**GOVERNMENT
BPS PRIORITIES**

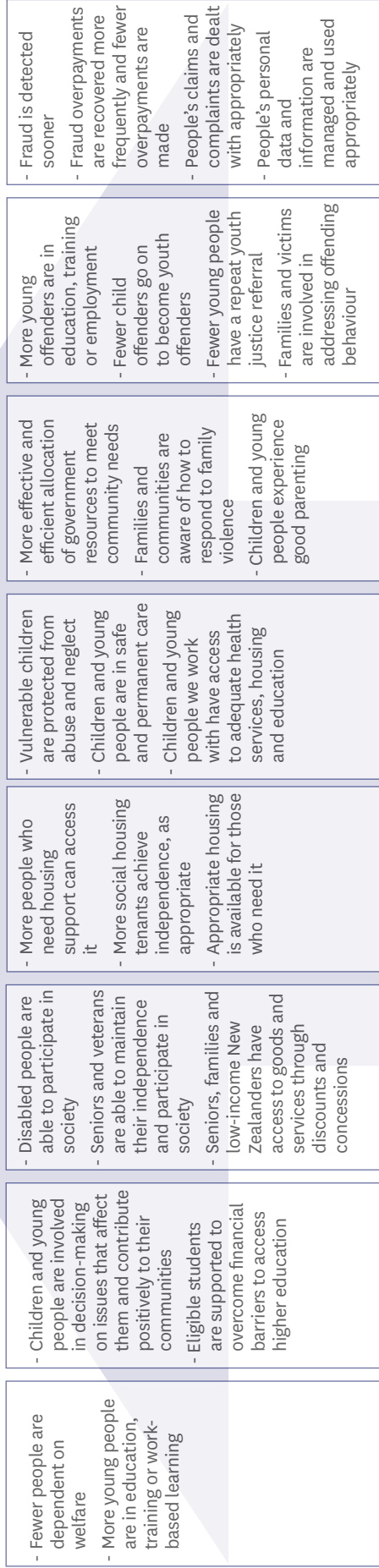


We help New Zealanders to help themselves to be safe, strong and independent

**MINISTRY
OUTCOMES**



**MINISTRY INTERMEDIATE
OUTCOMES**



**FOUR-YEAR STRATEGIC
PRIORITIES**



Client-focused and intelligent service delivery

Team up as one Ministry

Strategic direction

In response to our complex operating environment, the Ministry is focused on becoming a single, cohesive organisation, with intelligent service delivery, centred on the public we serve and support.

Our operating environment is complex

The Ministry is faced with delivering services within an increasingly complex and challenging environment. While there are macro and micro environmental factors impacting on all agencies, the current operating environment provides particular challenges to the Ministry's operations and ability to focus and implement its strategic direction.

The economy continues to face challenges as the country recovers from the global financial crisis. The fiscal context has been one of restraint, to allow the Government to focus on reducing the accumulation of debt and returning to surplus. The Government has required the public sector to look for opportunities for innovation in how services are delivered to achieve results. The Ministry is required to operate in a more effective and efficient way with the money it has.

Demand for our services has changed in response to demographic and socio-economic trends. Vulnerable population groups are coming under increasing financial pressure, especially in relation to housing affordability.

New Zealand's largest city, Auckland, continues to grow in population, becoming younger and more ethnically diverse. This will challenge its social cohesion, services and infrastructure. Thirty-four percent of New Zealanders live in Auckland, so success for New Zealand necessitates success in Auckland. To meet our Better Public Services targets, the Ministry will focus on vulnerable populations located in the most deprived areas of Auckland and work with economic agencies to identify sustainable employment opportunities.

The Ministry is aware that there has been persistent over-representation of Māori among those who require its services. Demographic changes have the potential to exacerbate this challenging situation. New Zealand's population is ageing, and also becoming more diverse, although Māori have a much younger profile than the rest of New Zealand.

Māori make up 25 percent of the population under 25 and this proportion is expected to rise. If the poor outcomes for this cohort persist, and feature in the next generation, there may be a diminishing level of taxable earnings expected to support an increasing demand for government assistance.

The move in the population away from rural areas to large urban centres has also increased the vulnerability of some rural communities. Many of these communities are disproportionately or predominantly Māori, which in turn means that the prevailing attitudes, values and beliefs will be strongly influenced by the Māori people in them. As well as working with others in the sector, Māori NGOs, community leaders and iwi will have an important role in helping the Ministry shape and deliver its services to these communities and supporting its strategic direction.

These factors place significant emphasis on ensuring the Ministry's service design assumptions and service delivery approaches are capable of delivering on its desired outcomes for Māori. If our vision for independent, safe and successful people is an aspiration for all New Zealanders, then we need a more specific focus on our approach to working with Māori communities and iwi.

Adding to the complexity of our environment is the accelerating pace of the labour market change with the rapid infusion of new technology and the impact of globalisation. Jobseekers need to be equipped for this changing labour market.

Alongside this, people's expectations of how they interact with government, and the sorts of services they can get, have changed. New Zealanders are expecting the Ministry to provide services that are more tailored and responsive and to use technology to make services more accessible and convenient. We are shifting to an environment in which data and more sophisticated techniques are available and the Ministry expects that in the future these tools will improve the effectiveness of its services.

The tragedy at our Ashburton Office on 1 September 2014 highlights the often difficult work we face. The Ministry is committed to ensuring the safety of all staff and clients. We are reviewing and implementing enhanced safety and security arrangements for staff over the next four years.

The Government has challenged the social sector to achieve better results by providing more joined-up responses and co-ordinated services. Government rightly expects a high level of collaboration among sector agencies, both to enable a focus on results and to identify efficiencies.

The Ministry is adapting to new challenges

The strategic direction adopted by the Ministry will allow it to respond to the changes in the environment in which we operates. Rising costs, limited resources, increased expectations and ongoing changes in technology and public needs have created a new landscape to which the Ministry must respond. The Ministry recognises that it needs need to be centred around the people who depend on it and on what they need in their lives.

This requires connected services, streamlined systems and better tools and technology. We also need better knowledge and the ability to use quality data to drive our decisions and services to prove that we're doing the right things for the right people.

To support this work the Ministry will make sure that as an organisation it is constructive, collaborative and focused on making a real difference in people's lives.

The Ministry has identified two themes that will ensure it continues to deliver results for New Zealanders into the future:

- client-focused and intelligent service delivery
- teaming up as one Ministry.

Client-focused approach and intelligent service delivery

Putting the client at the centre of everything we do will deliver better outcomes and make it easier for people to interact with us. The Ministry's systems and processes have historically been based more on what works for the organisation (or parts of the organisation) than starting from the client's perspective in policy, design, and delivery, whether they are a child, student, beneficiary, family in need or senior citizen.

Being client-focused means connecting the different parts of our own organisation as well as with government, providers and community partners – the people we work with don't interact with the Ministry in isolation.

The Ministry is moving toward a new organisational approach that sees client analytics, policy and delivery of services as an active partnership in driving organisational decision-making and investment. Elevating the role of client analytics and insight supports a client-focused approach by ensuring we see our clients' interactions in totality and can prioritise our resources and effort to have the best long-term impact. The investment approach in welfare is an evolving example of how we are using analytics as a critical component in a broader system. The Ministry will build on this thinking and approach throughout the organisation and in the wider social sector.

Team up as one Ministry

Over the next four years, the Ministry will continue to move away from its traditional service line-centred approach towards an integrated organisation, in which critical functions are co-located.

Last year we brought together almost 5,500 FTEs within Senior Services, StudyLink, fraud investigation services and Work and Income into a single service delivery unit. Grouping these services together will allow us to plan, develop and respond much more strategically and consistently than ever before.

The Ministry will continue to build a collaborative and constructive internal culture. This will support an integrated way of working and strengthen our corporate and governance capability to better manage risks and harness opportunities.

Delivering on our strategic intentions requires strong and effective corporate functions and leadership. A strong corporate cluster will provide the necessary support for the Ministry into the future.

What will influence our achievement of this strategic direction?

The Ministry is changing the way it works to provide better services for its clients. The operating model needs to support the Ministry to deliver systems tailored to what people need. It also needs to support us to provide a safe and secure working environment.

Decisions on the Ministry's operating model will be influenced by the:

- Independent Security Review
- Child, Youth and Family Expert Advisory Panel
- Productivity Commission.

The recommendations from the Independent Security Review and the outcome of the WorkSafe prosecution will influence the way the Ministry configures and delivers services and the types of interactions it has with clients in the future. The Ministry will likely experience an increase in security costs as a result of implementing the recommendations of the security review. More detail on the implications of this review can be found on page 26.

The Minister has appointed an independent Expert Advisory Panel to provide advice on a future operating model for Child, Youth and Family. Since it is clear that the current operating model for Child, Youth and Family is not sustainable into the future, the Panel will develop a client-centred service delivery and investment approach model for Child, Youth and Family. A significant amount of resource within the Ministry will be directed to support the Expert Advisory Panel as we move towards improving our service delivery for vulnerable children. More detail on the implications of this review can be found on page 18.

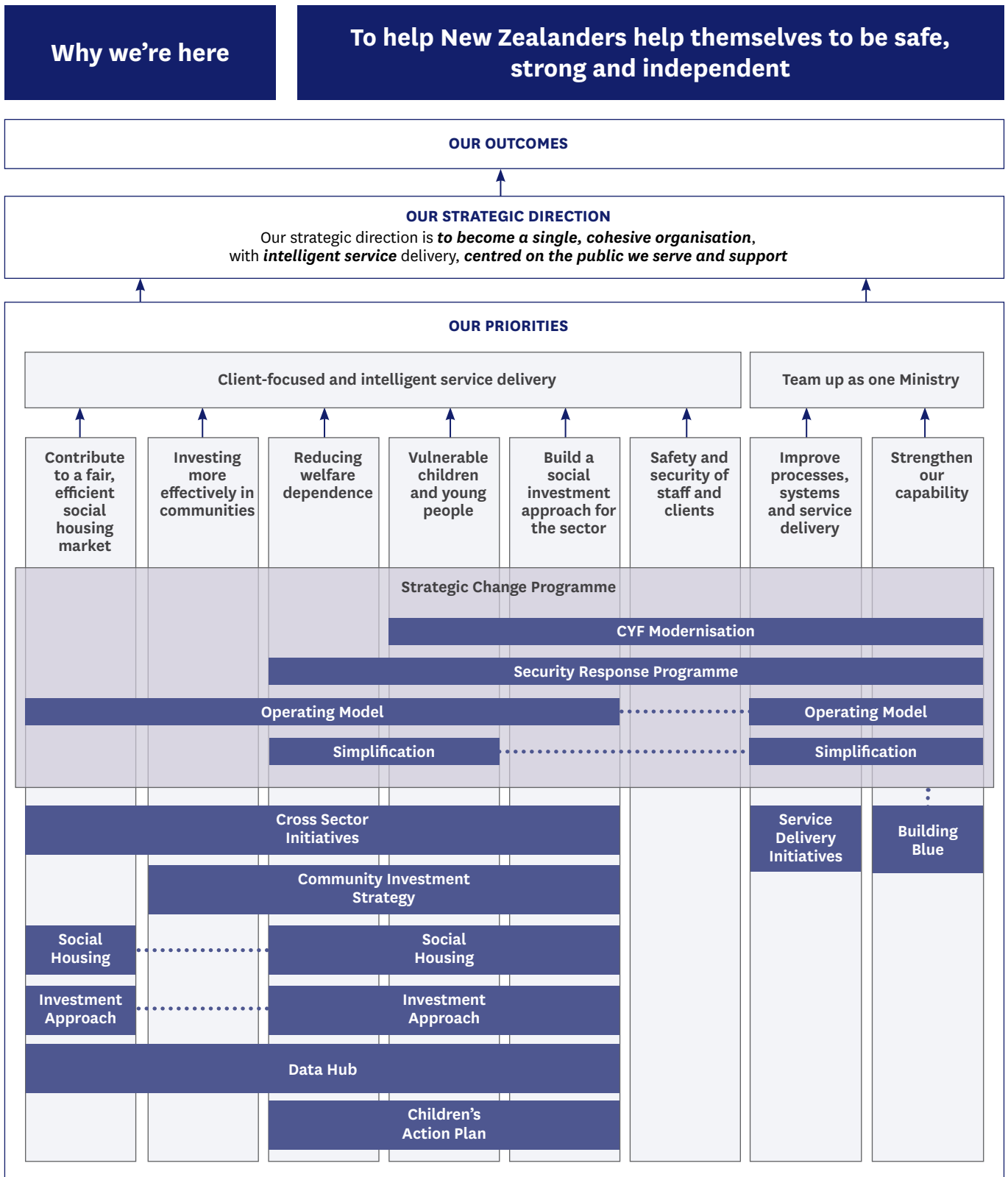
The Productivity Commission is conducting an Inquiry into how to improve outcomes for New Zealanders from social services funded or otherwise supported by government.

The goal of the Inquiry is to identify and recommend measures that would lead to improvements in the efficiency and effectiveness of the social services system.

The findings of the Commission's report will influence what the Ministry chooses as key priorities for the future. More detail on the implications of this report can be found on page 23.

Our key priorities

This diagram shows the two themes reflected in our strategic direction, the eight key priorities to deliver our work and the most significant work programmes that support these priorities.



Delivering our strategic intentions

This section outlines how we will manage our functions and operations over the next four years to achieve agreed outcomes and results for New Zealanders.

Our key priorities over the next four years are:

- reducing welfare dependence
- working differently to better identify, support and protect the most vulnerable children and young people in our society
- contributing to a fair, efficient social housing market
- investing more effectively in communities
- working with the social sector to maximise our collective impact to deliver better outcomes
- improving the security of staff and clients.

Reducing welfare dependence

The majority of people want to be in the workforce to better their lives and those of their families. The Ministry's aim is to help those people on a benefit become independent. The Ministry is putting people at the centre of targeted support to help those most at risk of welfare dependency get into sustainable work.

The next four years

In February 2015 the Government announced a new target to reduce long-term dependence - *reduce working-age client numbers by 25 percent, and reduce the long-term cost of benefit dependency by \$13 billion by June 2018.*

Achieving the refreshed target will mean trialling new support and services for clients to achieve sustainable outcomes for those who are reliant on a benefit.

The Ministry will tailor services to better meet people's needs by taking an active, work-focused approach to get people off welfare and into sustainable work, giving them better opportunities and a brighter future for themselves and their families.

The Ministry will continue to build on its successes, such as expanding the 3K to Christchurch package to incorporate locations outside of Canterbury, by providing incentives for people to move to where work is available. The Ministry is working alongside the New Zealand Defence Force, investing more in the Limited Services Volunteer programme to support at-risk young people to build life skills, increase their motivation and improve employment prospects.

Cross-agency approach

Meeting the new expectations will be very challenging and no single intervention will get us there. The diversity of the Ministry's clients means success within the current fiscal context will require more targeted services from across government and active participation and support from employers. A lot of change will be necessary and the Ministry alone does not have the capacity to deliver on the new target. An integrated cross-agency approach will be needed alongside innovation in our interventions. The Ministry recognises that its clients are also clients of other key agencies such as the Ministries of Education, Health and Justice. Working together with these agencies will help the Ministry better understand their own clients and their needs.

Each agency will have to identify how they can best help achieve the target by delivering on their core work. Agencies will also need to work together to identify how best to collaborate to achieve a collective impact.

The approach to achieve the target is to develop short-term trials focused on clients with health conditions or disabilities, alongside developing a longer-term, strategic cross-agency work programme. The Ministry will work with the Ministries of Health, Education and Business, Innovation and Employment and the Accident Compensation Corporation (ACC) on:

- establishing an employer-led trial in Christchurch, focusing on getting 300 clients with a disability or health condition into work across three Ministry sites
- accelerating the existing immigration-welfare interface work programme. This aims to identify employers and sectors with increasing preferences for hiring temporary migrants over beneficiaries. The Ministry will work with employers to develop hiring and workforce development strategies
- improving the interface between ACC and the Ministry for people assessed as vocationally independent, to support people to find work before they need benefit support
- developing a regional mental health and employment strategy to support people with mental illness and addiction to gain and maintain employment. The Ministry will specifically work alongside the Auckland and Waitemata district health boards on this initiative
- placing Ministry staff members in General Practitioner offices to work with clients and develop tailored solutions
- locating Ministry staff members in mental health providers to work with clients and develop tailored solutions
- developing a return to work programme for stroke survivors, with support delivered during and after rehabilitation. The Ministry will work in collaboration with Workbridge and Careers NZ on this initiative.

Findings from trials about what works for particular client groups and opportunities identified to improve cross-agency working will inform development of a strategic cross-agency work programme.

Smarter investing of resources to get the best results

Underpinning New Zealand's reformed welfare system is an investment approach that ensures the Ministry invests its resources in the interventions that make the biggest difference to its clients. Actuarial tools have helped to calculate the future cost of the benefit system for different groups of people. They have also helped the Ministry understand where it should direct services and supports to achieve the best outcomes.

The Ministry will continue to work with more young people who are identified as needing greater support. Risk modelling will help us understand better which clients need more intensive support, or those for whom employment may be a better focus than education. Youth Service provides specialist case management and support for 16- to 19-year-olds to help them into training, education or work-based learning.

Supporting people with health conditions and disabilities into work

Disabled people and people with health conditions tell us how important getting a job is for them. Having a job isn't just about money. Work gives people confidence and independence. It helps them build a better future for themselves and their family, and connect with their community.

Increasing the number of disabled people in paid employment will contribute to the BPS target to reduce welfare dependence and a Disability Action Plan shared result area. The Disability Action Plan is a key component of Government's commitment to domestic and international obligations under the New Zealand Disability Strategy and the United Nations Convention on the Rights of Persons with Disabilities.

Over the next three years the Ministry will continue to implement the Health and Disability Long-term Work Programme. This work aims to better support people with a health condition or a disability to obtain and sustain work. We will continue to trial innovative responses aimed at assisting disabled people into employment, including:

- trialling the Young Supported Living Payment Opt-in, which provides intensive support to young disabled people who want employment to find a job
- working across government agencies to increase the number of disabled people working in the public sector.

Working with a wider range of clients to break the pattern of welfare dependence

Working collaboratively with other agencies enables us to reach a wider group of clients.

There are strong links between crime and welfare, and evidence suggests that it is likely that many beneficiary clients are ex-offenders. To establish the extent of this correlation, the Ministry and the Department of Corrections are partnering to fully understand the cross-over of our clients. We will develop a business case process to determine the most appropriate responses to identified problems with offending and the associated barriers to finding and staying in work.

Improving our service delivery model

We need to continue to learn what works for different people and consciously invest in the interventions that will have the greatest impact. The Ministry is building its ability to engage effectively with clients, understanding their individual circumstances, their goals and abilities. We will tailor our services according to how much support they need to find and retain employment.

Specific and new skills will be required of Ministry staff and improvements needed in case management. Risk profiling and better service matching will ensure we can match clients to the right service at the right time.

The Ministry will also develop the capacity to provide more specialised case management to support clients with the most complex needs. We will seek to increase investment in longer-term and more intensive supports.

Meanwhile, the Ministry will continue to provide lower intensity services through a range of channels to clients who are more capable of supporting themselves into work through standardised services. Our online and self-service options will be improved so that people requiring less intense services can more easily interact with the Ministry, allowing frontline services to focus on people with complex needs. These improvements will be delivered through the Simplification project. Further detail on this can be found on page 28.

Working differently to better identify, support and protect the most vulnerable children and young people in our society

Too many children have a childhood that makes it harder to thrive, belong and achieve. Over the next four years we will lead and contribute to action across the social sector to better identify, support and protect these vulnerable children and young people.

The next four years

A key priority over the next four years for the Ministry is to work with communities and the whole of government to fundamentally shift the way we work together to better identify, support and protect New Zealand's vulnerable children and young people.

Efforts will be focused on the highest value activities that will make a difference for vulnerable children and families.

Modernising Child, Youth and Family

The Children's Action Plan, along with other Ministry and government initiatives, is changing the environment in which Child, Youth and Family (CYF) operates – creating both opportunities and different expectations. The Modernising CYF programme seeks to respond to this changing landscape by making improvements to CYF's operating model. This model will use an investment approach to work with the most vulnerable children in the right way and with the right supports.

CYF will continue to provide services that focus on core statutory priorities, deliver on non-negotiable commitments and undertake planned improvement activities over the next 12 months.

Expert Advisory Panel

During 2015 there was a change in the governance arrangements for the Modernising CYF programme of work. The Minister has appointed an independent Expert Advisory Panel that has been tasked with developing the business case for designing a new operating model for CYF.

The Expert Panel will be responsible for providing the following deliverables to the Minister for Social Development:

- a programme level business case by 30 July 2015
- oversight of and challenge on the development of the detailed business case, to be delivered by December 2015.

The work the Ministry has done during the initial phases of Modernising CYF has been passed to the secretariat and Expert Panel and many of the Ministry's resources have remained with the project. The Ministry will continue to be heavily involved in the modernisation programme of work, supporting the Expert Panel in any way it can.

The Ministry will continue to proactively contribute to the CYF Modernisation programme and will work with the Expert Panel as it initiates work on the design of the business case options. This will provide the Ministry with an opportunity to continue to help share and strategise about what the future operating model could look like as well as help shape the direction.

Children's Action Plan

The Children's Action Plan is a multi-agency plan that works to identify, support and protect vulnerable children and their families/whānau who do not meet the threshold required for CYF intervention. Chief executives from the Ministries of Health, Education, Social Development and Justice, and the Police are responsible for implementing a plan to improve results for vulnerable children. The Children's Action Plan is driving fundamental changes around how government agencies, NGOs and iwi work together to identify, support and protect vulnerable children.

Children's teams

A key element of the Children's Action Plan is the implementation of Children's Teams across New Zealand. Children's Teams are made up of skilled frontline practitioners and professionals from the health, education, justice and social sectors. They ensure the right level and type of service are provided to the most vulnerable children by having one assessment, one plan and one lead professional for each child.

There are currently four Children's Teams established in Rotorua, Whangarei, Horowhenua/Ōtaki and Marlborough. The remaining six sites to go live are at different stages of development in Hamilton, Tairāwhiti, Eastern Bay of Plenty, Christchurch, Whanganui and Clendon/Manurewa/Papakura.

Three important programmes of work to support Children's Teams are:

- the Vulnerable Kids Information System (ViKI)
- the Vulnerable Children's Hub (The Hub)
- an Approved Information Sharing Agreement (AISA).

ViKI will manage the secure input, access, management and reporting of data for Children's Teams.

The Hub will be a point of contact for raising concerns about vulnerable children.

An AISA will enable government and NGOs to improve the way we work together around sharing information.

We will be trialling The Hub, ViKI and an AISA in Hamilton to support the Children's Team to go to scale in a large urban centre. What we learn from Hamilton will inform the rollout of further Children's Teams.

Improving child protection and safety

The Children's Action Plan also includes implementation of the children's workforce requirements under the Vulnerable Children Act 2014 (the Act). The Children's Action Plan Directorate has a key role co-ordinating and implementing the Act to improve the safety and competency of the children's workforce, through new safety checking, core competencies and child protection policies for people who work with children.

New safety checking regulations require State-funded organisations who work with children to have all their paid children's workforce safety checked. The regulations will be phased, starting from 1 July 2015 and will extend to existing and non-core children's workers in later years.

Two sets of best practice guidelines for safety checking and child protection policies have also been published for organisations not covered by the Act. New core competencies for all people working with children are being developed. These core competencies will promote the common skills, language and understandings necessary to work effectively with children.

Contributing to a fair, efficient social housing market

Suitable housing plays an important role in people's ability to do well in life, raise healthy families and succeed in education and work. We are delivering new housing functions to help people with the greatest need access social housing and assist those who are able to move towards housing independence.

The next four years

The Social Housing Reform Programme aims to create a fairer, more effective and more efficient social housing sector to improve outcomes for some of New Zealand's most vulnerable people. Key social housing functions the Ministry is responsible for include:

- carrying out social housing needs assessment
- managing the social housing register
- purchasing social housing places
- carrying out tenancy reviews
- managing associated debt and fraud investigations.

Managing these functions gives us the opportunity to engage with new or existing clients to consider their needs as part of the wider picture of social support we can offer them.

The Ministry's goal is to help people move to housing independence when they can and to free up homes for those who need it most.

Developing a new purchasing role

Over the next four years the Ministry aims to enhance its role as the purchaser of social housing tenancies and increase diversity in the social housing market.

We will do this by trialling different contracting approaches and supporting the Transactions Unit set up within the Treasury to manage transactions of Housing New Zealand properties. The Ministry ran a Registration of Interest process seeking an additional 300 social housing places in Auckland, in order to start testing new contracting arrangements. In June 2015, the Ministry followed up with a Request for Proposals that aims to secure long-term contracts for the additional places.

The social housing purchasing trial in Auckland tested a process that allows Housing New Zealand and community housing providers to have the same access to the waiting list within the trial areas so that if an applicant receives offers from more than one provider, the applicant can choose which provider to use. The trial was intended to test the objectives to make better use of property, better manage price and value for money, and collect information about provider and applicant behaviour. We can now evaluate and learn from this trial to improve future processes.

Releasing information to support providers

Information is one of the levers we have available to influence change in the social housing market and improve outcomes for the public.

In April 2015, the Ministry published its first Social Housing IRRS Purchasing Intentions. This provided information about: demand for social housing, how social housing places are purchased, what tools are available to support people to independence, and how tenants are matched with places and providers. The Ministry will work to develop the information base further to improve future iterations of the Purchasing Intentions. We will do this by surveying social housing providers about the information they need, and developing a demand forecast.

Releasing this type of information will support current and potential housing providers to make investment decisions and improve the diversity of the market.

Review of needs assessment model

Over the next four years the Ministry will review the social housing needs assessment model (the Social Allocation System). Our aim is to gain a broader picture of housing need, including the likely duration of people's housing need, and the support and services they may require to transition to independence.

Alleviating pressure on the social housing register

Starting in June 2015 we will begin implementing a package of new initiatives to better assist people most in need of housing, and support more people into independence from social housing when appropriate.

These initiatives will:

- start to use benefit system levers to work with social housing applicants to achieve work and housing outcomes
- introduce additional tools to support people into independence
- extend the rollout of tenancy reviews.

Providing advice

To increase overall system efficiency, the Ministry will provide advice on:

- improving the functioning of the social housing market
- addressing disincentives for clients to transition out of social housing
- ways to further improve the overall match between tenants, providers and social housing places
- funding for emergency housing.

Reducing rates of rheumatic fever

Reducing household crowding is one of the main strategies for achieving the Better Public Services target to reduce rates of rheumatic fever. Social housing supports this by fast tracking access to social housing for families with children at risk of rheumatic fever.

Between the December quarter 2013 and December quarter 2014, 223 families have been fast tracked on the social housing register, and 150 have been housed in social housing. The majority of the families are in Auckland.

Investing more effectively in communities

The Ministry is changing the way it achieves positive results for vulnerable children, young people and adults by targeting funding to where it makes the biggest difference.

The next four years

The Ministry purchases around \$331 million of social services for vulnerable children, young people and adults. It is important to ensure we purchase social services that are aligned with government priorities, and are targeted according to need.

To ensure funding makes a difference in communities, we are improving the quality of services and the way we work with providers. More sharply focused investment in Ministry-funded providers will mean government funding is used more efficiently and effectively in the sector.

A Community Investment Strategy

The Ministry will use a Community Investment Strategy (CI Strategy) to inform the choice of social services that it purchases for New Zealand's most vulnerable communities. It will determine how the Ministry engages and develops partnerships with the community sector.

The CI Strategy will ensure the Ministry can provide the sector with a clear direction for future funding decisions that are consistent and transparent. It will be underpinned by a results measurement framework that will help the Ministry to benchmark the performance of the services it purchases.

Over the next four years the CI Strategy will:

- include results-based measures in all provider contracts
- remove duplication of services where it is found to exist unnecessarily
- align funding with the three government priorities identified in the CI Strategy, at the levels of service intensity indicated by the CI Strategy (prevention, early intervention and intensive support or statutory service).

Moving to results-based contracts

The Ministry will help providers funded by Community Investment move to results-based reporting as part of their contracts. We are conducting trials to establish how we can best incorporate a results-based focus in our contracts with social service providers. This will allow us to collect the information that will inform future purchasing decisions in line with the CI Strategy.

Working with others

The Ministry will continue to build partnerships to help communities identify issues and enhance their capability to find local solutions that positively impact individuals and families. This means being flexible so we can work more effectively together.

An example is our continued support for the development of the Make It Happen Te Hiku initiative in the Far North. This work helps align the social development initiatives of the Te Hiku Social Development Accord with the work of other iwi, government agencies, philanthropic organisations, local businesses and local government.

The Ministry will also continue to work with the private sector, communities and NGO partners to find solutions that work. Two of these partnerships are:

- our partnership with Fonterra, Sanitarium and local school communities, which has enabled the successful expansion of the KickStart Breakfast programme
- our four-way Community Finance partnership with the Bank of New Zealand, Good Shepherd New Zealand and the Salvation Army. This partnership provides affordable no-interest and low-interest loans to people on lower incomes. The first year of the pilot is being evaluated and learnings will be applied to the ongoing design of the initiative.

Working with the social sector to maximise our collective impact to deliver better outcomes

New Zealanders are increasingly expecting government agencies to work together in different ways to make services more accessible and make a bigger difference. The Ministry has an important role in leading and supporting more effective cross-sector governance and management arrangements to enable greater collective impact.

The next four years

The Ministry cannot resolve complex social issues by working alone. We are continuing to join up with other sector agencies, providers and communities to work collaboratively to ensure New Zealanders receive the best possible outcomes.

Active leadership through arrangements such as the Social Sector Board (SSB) ensures that, as a sector, the people who need our support are clearly understood, allowing appropriate services to be wrapped around them.

Continuing to develop and implement new collaborative models

Integrated models can improve our focus on the public and results and improve people's engagement and access to services.

Even when services are best delivered separately, there needs to be clarity about what each agency is aiming for, and what support each agency needs to deliver. The Social Sector Integration project will look at how social sector agencies can best integrate with each other, and with communities, to achieve outcomes.

The Ministry has specific social sector projects currently running such as the Children's Teams, Social Sector Trials, Whānau Ora, Youth Offending Teams and Strengthening Families. Some models are still in the implementation stage, but over the next four years more data will become available to inform future decisions and transition to business-as-usual if appropriate.

Combined information systems

The Ministry aims to develop the functionality to link data across agencies, to provide better and earlier identification of those in need, identify those receiving services from multiple agencies, and reduce the compliance burden and costs for families.

Combining the Ministry's data with that of other agencies to produce insights from analytics is costly and complex.

We will continue to work through these challenges over the next four years.

Making sector investment decisions

A challenge for the sector is to develop an approach to social investment to get a greater sense of priority and focus across all of our agencies. The social sector is working to implement a social investment framework. This work will encompass a clear understanding of the data analytics required to support decision-making. Once the appropriate systems and analytics capabilities are in place, the sector can explore medium-term cross-sector investment decisions based on evidence and attribution.

Productivity Commission Inquiry 'More effective social services'

The Commission released a draft report on 28 April 2015 that examines the strengths and weaknesses of current approaches to commissioning and purchasing social services. The report highlights lessons learnt from recent initiatives and new approaches, as well as how to improve coordination within and between government agencies, service providers and clients.

The Commission supports a number of initiatives that the Ministry is implementing, such as expanding the investment approach and improving cross-agency co-ordination.

The report has the following implications for the Ministry over the next four years. The report:

- stresses the need to improve the quality of data collection and make better use of data. The Ministry's Youth Service is an example of this. We use data to develop predictive models so we can identify a cohort of young people who are Not in Employment, Education or Training and are at risk of spending a long time on a benefit. This means we can target effectively, invest early, reduce our future liability and improve outcomes for this high-risk group
- presents seven service models for delivering social services, from in-house provision (when an agency defines the services outputs) to voucher systems (when clients choose services and providers). The Ministry is already experimenting with several of the seven conceptual models. To address this further, the Ministry is developing a managed market model for social housing services and exploring client-directed budgets as part of Enabling Good Lives to give people choice in disability services.

The final report is expected in August. Decisions made as a result from this report may have an influence on the delivery of the Ministry's strategic direction.

Working with iwi and the community for unique perspectives

As a sector we want to do better for all New Zealanders.

In the medium term, the Ministry wants to tap into the unique perspectives that iwi and communities have to determine what is most important for their community to improve social outcomes.

The Ministry is also committed to working differently with its community partners. In the past, our conversations with providers have too often been about narrow contractual outputs, rather than the broader social goals we are aiming for. The Ministry will continue to look for innovative ways to involve communities in decision-making about what works best in their area.

Helping seniors maintain independence and participate in society

The Ministry is working with NGOs and government agencies to improve outcomes for older people in New Zealand so they can remain healthy, independent, respected and connected.

The Ministry is leading a cross-government work programme to develop options for more joined-up or integrated services to meet the changing needs of New Zealand's ageing population. A key objective of this work is to improve the timeliness of older people's access to relevant services. In particular, there is a focus on older New Zealanders who have high and complex needs and are considered at risk of economic and social isolation.

The Ministry will continue to promote the challenges and opportunities presented by an ageing workforce. This includes highlighting the Business of Ageing research on the economic contribution of older New Zealanders. This research shows that older people are making a significant and growing contribution to the economy as workers, volunteers, carers, taxpayers and consumers.

Raising awareness of elder abuse and neglect and what people can do in response continues to be a priority for the Ministry. Initiatives include:

- increasing awareness of enduring powers of attorney through an information campaign
- building an evidence base on the incidence of abuse and neglect.

The Ministry is tackling social isolation by expanding the SuperGold Card programme, encouraging neighbours and communities to connect with each other, and developing options to address social isolation through improved service delivery. In the SuperGold Card programme, the Ministry is focused on expanding discounts for big one-off costs for older people relating to teeth, eyes, ears, and lawyers for wills and enduring powers of attorney.

The Ministry is working with Carers New Zealand and the New Zealand Carers Alliance to prepare information and resources for older carers and carers of older people. This forms part of the New Zealand Carers' Strategy Action Plan for 2014 to 2018.

Addressing youth offending

Young people who commit offences should be held to account, but they also need the right support and interventions to address offending behaviour and turn their lives around.

The Ministry will continue to work with the Ministry of Justice, Police and other agencies to implement the Youth Crime Action Plan – a 10-year strategy to prevent offending and reoffending behaviour in children and young people.

The Plan takes a practical approach to supporting youth justice services, frontline workers, service providers and volunteers. It builds on existing initiatives such as the 2010 Fresh Start Reforms.

We will also continue to hold youth justice family group conferences so children and young people take responsibility for their offending and their family and victims can be involved in addressing their offending behaviour.

Together we will also address difficulties facing young offenders and their families, such as unemployment, limited ability for parents and families to provide appropriate support, and inter-generational problems.

Improving the safety and security of staff and clients

Security of staff and clients is paramount to us. Staff have a right to be and feel safe at work and ensuring this is one of our top priorities.

The next four years

The extreme events at Ashburton on 1 September 2014 highlighted the difficult work circumstances our staff face every day. Staff have a right to feel safe and supported at home, in clients' homes, on their way to and from work, and at work. Clients should feel that a Ministry site is a safe place to visit and talk about their needs.

Immediately following the Ashburton events an Independent Security Review was commissioned. Progressing the recommendations of that review and other enhancements identified is one of the Ministry's priority areas for the next four years.

Security response programme

The Ministry established the Security Response Programme to respond to recommendations from the Independent Review of the Ministry's physical security environment. The primary aim of the Programme is to consider and implement changes based on the recommendations from the Review, and from the WorkSafe investigation and coroner's inquest.

One of the primary objectives for the Ministry is to ensure all Ministry staff treat safety and security seriously, and have the knowledge and understanding needed to be effective in their roles.

The Ministry wants to ensure staff have the skills to deal with clients in a way that reduces the frequency of incidents, and can act appropriately when an incident does occur. The Ministry is working on a clear strategy and definition for its approach to safety and security. We want to be readily able to communicate to staff and other stakeholders what the strategy and approach are, and ultimately how decisions support the strategy. This will enable the Ministry to reduce its risk exposure, without compromising the effectiveness of services.

Given the breadth and scale of the Ministry's front-facing operations, the Programme's work will impact on all of the Ministry's work and service delivery functions in some way.

Managing change and consulting staff, clients and stakeholders will be an important aspect of Programme management.

Implications for service delivery

In addition to this, the requirements of the Health and Safety Reform Bill (currently scheduled to come into force in late 2015) and the WorkSafe prosecution and coronial inquest may have implications for the way the Ministry configure and deliver services and the types of interactions it has with clients.

The Ministry is committed to making whatever changes are necessary to meet its safety responsibilities. We will ensure safety of our staff is at the forefront of our thinking as we continue developing more effective and efficient ways of interacting with our clients in the future.

Privacy and security of information

Ensuring personal information is secure and shared safely is important to the Ministry. We are currently developing an Information Management Strategic Framework that will guide how the Ministry uses its information.

The Framework will address the way the Ministry meets its obligations in relation to:

- the privacy of information we hold
- the Government's Protective Security Requirements.

Changing how we work

To achieve its strategic intentions, the Ministry is changing the way it works, to take a whole-of-Ministry approach that will better integrate its services, resources and support. By being an integrated agency we will achieve better results for people and make a greater contribution to the social sector.

Our key priorities over the next four years to build our capability and enable change towards our strategic direction are:

- streamlining processes and systems for delivering transactional services and improving the effectiveness of our frontline
- strengthening our capability to allow us to operate as a single, cohesive agency working together for collective impact.

Streamlining processes and systems for delivering transactional services and improving the effectiveness of our frontline

Transactional services are a significant portion of the Ministry's work and one of the main channels through which the public experiences our services.

The Ministry is clearing away transactional clutter and allowing staff to focus on necessary interactions in relation to obligations, work readiness, and job search.

Innovative approaches to service delivery are also an important focus for the next four years.

The next four years

The Ministry plans to continuously roll out a programme of simplified processes and transactions over the next two to three years.

Starting with current Ministry clients in 2015/2016, there will be a greater opportunity for applying for assistance and support online or on mobile devices.

Enhanced use of digital channels will also speed up transactions, meet individuals' expectations and contribute to the achievement of Better Public Services Result Area 10 – *New Zealanders can complete their transactions with the Government easily in a digital environment.*

The public will benefit through a simpler system, with increased accuracy, efficacy and timeliness in processing.

In 2016/2017 these and other processes will be rolled out to new clients. By late 2017 there will be integrated digital channels into the Ministry's back-end systems.

Focusing on effectiveness

Once staff transactions are simpler and more efficient, there will be more opportunity for staff to focus on the activities that make a difference to people's lives. The investment approach relies on staff being able to identify those who would benefit from more intensive support, and on staff having the time to undertake the required activities.

Simplifying transactions and streamlining processing mean that information is in one place; it's accurate; and staff spend less time inputting data or checking for accuracy- rather they can focus on putting in place a plan for improving individual and family circumstances.

Better use of data

The Ministry uses data and insights to improve the way it works and identify who it needs to provide services to and how to provide these services. Data informs decision-making and ensures that services provided are effective, based on sound evidence and support the Ministry's overall goals. We see data as among our most significant assets.

Better use of our own data, and integrating our data with that of other agencies, will allow us to continue to improve and target our services and evaluation. Over the medium term, the Ministry will develop the capability for its transaction systems to line up with those of other agencies to foster efficiencies. Work with Statistics New Zealand's Integrated Data Infrastructure (IDI) (for research and statistical purposes) and the Vulnerable Kids Information System (ViKI) has already begun.

Fraud prevention

The Ministry is committed to strengthening fraud prevention and debt recovery to help people avoid debt and achieve better future outcomes. Our priorities in the fraud area are to support people to do the right thing and make it difficult for people to defraud taxpayers.

Through the Debt Collection Strategy, the Ministry will take steps to increase debt collection by automating business processes where appropriate.

Supporting older people

New Zealand Superannuation represents nearly 50 percent of the Ministry's total expenditure. The number of people receiving New Zealand Superannuation is growing and year on year we expect a net increase of around 25,000 people.

With the growing population, we will also see a growing cohort of the public who will demand a more diverse range of service offerings. They will be more open to using technology to meet their service needs and may require less interaction with the Ministry's case managers than our current superannuitant base. Over the medium term the Ministry will position itself to cater for both the changing demographics and the changing needs of superannuitants.

Strengthening our capability to allow us to operate as a single, cohesive agency working together for collective impact

It is vital that the Ministry builds the required capability in people, processes and systems to enable it to deliver more efficient services and better outcomes. A successful organisation requires a strong centre to both guide and provide the right support and to deliver on goals, but is also an investment in the future.

The next four years

The Ministry's strategic direction and medium-term priorities are centred on becoming an integrated, client-centred organisation. This strategy requires strong and effective corporate functions and leadership.

Corporate capability and systems

As the Ministry's strategy develops, the corporate model needs to adapt to meet new expectations and responsibilities. This includes increased leadership functions beyond a traditional transactional support role.

Three specific areas are a focus for supporting the Ministry's leaders to understand and make decisions from a whole-of-Ministry perspective to deliver its strategic objectives and accountabilities:

- governance arrangements - enabling the decision-making framework and environment that support the effective integration of services and ensuring the organisation understands its outcomes holistically
- supporting a single, integrated organisation - leading communications, corporate policies and procedures
- information, performance framework and reporting – supporting the Ministry to carry out its governance and accountability responsibilities.

Leadership and capability

Strong leadership is instrumental in effecting the desired shifts in our culture and performance.

To be the type of organisation we need to be in the future, we are focused on ensuring the Ministry has the appropriate mix of knowledge, skills and experience at all levels.

The Ministry has a suite of Leadership Development Programmes that we will use over the medium term to develop managers and leaders at all levels.

Talent management and succession planning

The Ministry is focused on building the right capability to deliver its strategic plans and sustain long-term organisational performance.

Talent management and succession planning approaches and tools will be used to allow the Ministry to identify and nurture talent.

Strengthening our support for Māori clients

The Ministry is committed to building its capability to work effectively with Māori people and organisations across its roles and functions – policy advice, service delivery and commissioning.

We are progressively building a knowledge base about what works for our clients. This will be translated into services that our clients can engage with and that are delivered in a setting they know and trust.

Organisational health and capability

Over the next four years the Ministry is undertaking initiatives to strengthen its organisational culture and capability by improving corporate capability and building a constructive culture and leadership style.

The next four years

Many of the Ministry's initiatives have been about maximising its existing capacity and capabilities to deliver better services for clients and creating more opportunities for collaboration and innovation. However, we are also building the foundations to ensure the Ministry is fit for purpose in the future. We have identified specific skills we need to develop, including case management and leadership skills. Programmes and a strategic direction have been put in place to address these deficiencies.

As well as a focus on capability building, there has also been a focus on organisational health. We need to ensure we can manage the demands a large programme of change will have on our people and organisation.

Building a constructive culture

Culture underpins everything we do at the Ministry and impacts on our organisational and individual resilience. It helps us to create a supportive environment to learn, develop and work, improve our performance and provide better services to our clients. A focus on culture will add value to our staff, our work teams and our organisation.

In recognition of this we have put in place a significant culture development programme, Building Blue, across the Ministry. The programme supports the values we need to encourage: an outward focus, collaboration, client-centricity and innovation. Blue reflects those characteristics that we want to demonstrate, encourage and increase. Red and green represent characteristics that may need to exist to perform certain roles, but that as an organisation we want to minimise not encourage. These include passive, defensive and aggressive behaviour.

We have been implementing this programme since 2012/2013 and progress will continue over the next 10 years to make a sustainable difference.

Some of the key behaviours we are looking to embed are:

- helping others fulfil their potential
- accepting and sharing responsibility
- seeking to improve things
- building strong relationships
- being flexible and open to change
- accepting and believing in ourselves and others.

Equal employment opportunities

The Ministry's equal employment opportunities (EEO) policy is supported by a commitment to promote equality and diversity within a positive work culture that is based on respect, fairness and valuing individual difference.

The 2013 Human Rights Commission EEO Survey identified that the Ministry's EEO policies and practices have led to positive outcomes for Māori employees. The aim is to continue with these practices and to become an exemplar employer of disabled people.

To become an exemplar, the Ministry is removing barriers so that disabled employees can be integrated into all parts of the Ministry, contributing to their full potential and supporting the Ministry to achieve its outcomes. As an exemplar, we would set the standards for other agencies to follow.

Over the next four years the Ministry will aim to:

- identify organisational barriers to involvement, and minimise or remove these; we will set up a disability network/advisory group to help with this
- ensure our accommodation is appropriate and accessible as well as updating our accommodation guidelines and processes
- provide disability awareness training and resources through a variety of channels
- provide education and communication to ensure managers and staff are 'disability confident'
- work with other agencies to share best practice and aim for our policies and procedures to be an exemplar for the sector.

Maintaining stable industrial relations

We know that positive and stable industrial relations support a high-performing organisation.

All five of our collective agreements will come up for renewal over the course of 2015 and 2016. These agreements will continue to provide a stable platform for the Ministry as we embed government initiatives for better public services and other programmes that will change the way we work.

As our operating model changes to meet new expectations, and we work through the renewals of collective agreements, we will seek to maintain a constructive relationship with the unions that represent Ministry employees, the largest of which is the Public Service Association (PSA). The Ministry’s Modern and Productive Public Services Agreement with the PSA outlines a shared commitment to work together on innovation, productivity and value for money.

Managing risk

The rise in demand for services presents an ongoing challenge for the Ministry to manage its risks and operate within existing baselines. Risk management is integrated into our daily decisions and actions. Strategic risks are managed by our Leadership Team. We are working internally to make decisions in a risk aware way and build in consideration of risk early in every process.

The Ministry’s Risk and Assurance Group advises the Chief Executive and Leadership Team on the systems, processes and controls that the Ministry relies on to deliver effective and efficient services to all New Zealanders. Each year the Group undertakes a programme of audit, assurance, risk and advisory activity to improve risk management processes across the organisation. An independent Risk and Audit Committee provides expert risk advice directly to the Chief Executive.

Below is a summary of the key risks and opportunities that may affect our ability to perform and deliver on our strategic direction over the next four-year period and how these are being mitigated.

Risk	Mitigation strategy
Managing multiple change projects	The Ministry has established a Deputy Chief Executive Strategic Change position dedicated to oversight and successful delivery of the Ministry’s multiple change programmes. Further strengthen governance capability with the embedding of responsibilities of the Enterprise Portfolio Management Office (EPMO).
Appropriate capacity and capability of our people	Implementation of our workforce capability strategy and people development strategy as detailed in the Ministry’s Budget 2015 Four-year Plan. Continued rollout of Leadership Development programmes, including a new frontline manager development programme.
Delivering on cross-agency work programmes	The Ministry has established a Deputy Chief Executive Social Sector position to increase cross-government partnership and support social sector chief executives and organisations to deliver on collective responsibilities of work.
Health and safety	The Ministry is implementing an action plan to address the recommendations of the Independent Security Review.
Achieving outcomes and results with the NGO sector	The Ministry plans to implement and operationalise the Community Investment Strategy to ensure we purchase services that focus more clearly on the achievement of results.

Financial management and capital intentions

The Ministry's fiscal environment remains constrained and increasing pressures are being driven by population changes, operational demands and inflation. To manage within our means, we need to maintain disciplined financial management, direct our spending towards our highest priorities, and continue delivering high-quality services and new expectations within our baseline.

Our Four-year Plan outlines how we intend to manage cost pressures through finding efficiencies and innovation and improving productivity, through projects such as Simplification.

The Ministry is committed to delivering positive social outcomes to all New Zealanders. Understanding the effectiveness of our expenditure helps us target our resources on our key strategic priorities.

Increasing our investment in analytics and continued analysis of our cost drivers and the effectiveness of our expenditure will help us achieve our outcomes.

A comprehensive view of current cost drivers will help with the Simplification project's aim to simplify the way we process transactions for financial assistance.

Capital intentions

The Ministry's asset portfolio had a book value of approximately \$409.5 million as at 30 June 2015.

The Ministry has a Ten-year Capital Plan in place and each year we conduct a capital expenditure planning process. This ensures capital investment is targeted to meet business needs and assets are appropriately replenished. We assess our performance by ensuring expenditure is in accordance with the Ministry's Ten-year Capital Plan.

Over the next four years, our significant capital investments will include the Simplification programme, the relocation of National Office, expenditure on core assets to retain functionality, and expenditure on process improvements.

Asset management

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

Property

We operate out of 260 locations nationwide including commercial offices, residences and family homes. We have plans in place to ensure our environments are safe and fit for purpose.

We continue to review our national and regional office needs to ensure all our spending provides value for money and is linked to the delivery of effective services. This includes collaborating across government, where appropriate, to ensure the most efficient use of property to deliver government services.

The Ministry's Property Strategy is refreshed annually and aims to optimise the property portfolio by amalgamating sites and meeting regional service delivery needs across multiple sites – both Ministry sites and those of other agencies. In addition the aim is to put staff safety at the heart of all property planning, achieve flexible lease terms and implement designs that future-proof the portfolio. This includes reducing the space occupied per person from 23 sqm per person to 16 sqm per person over the next 10 years.

We manage our commercial office portfolio in accordance with the principles, guidelines and standards developed by the Property Management Centre of Expertise, ensuring a continued strategic alignment with the business. The CYF residential portfolio is managed in the same way and in close collaboration with the teams that operate the buildings, to make sure they are fit for purpose.

Forecast capital expenditure

	Forecast 2015/2016 \$000	Forecast 2016/2017 \$000	Forecast 2017/2018 \$000	Forecast 2018/2019 \$000
IT business improvement and ISAP enablement	5,231	4,480	9,210	12,050
IT core assets and data centre	6,200	7,766	14,290	18,191
IT – Simplification	31,118	22,583		
IT – Social Housing				
National Office relocation	21,808	1,955		
Other property expenditure	14,844	8,665	19,582	31,318
Motor vehicles	5,000	5,000	5,000	5,000
Total	84,201	50,469	48,082	66,559

Assessing our performance

This section sets out how we will track, monitor and assess our performance.

Since the changes to the Public Finance Act in 2013, most of our performance measures, including our outcome measures, are contained in Estimates of Appropriations for Vote Social Development. Annual performance will be assessed against these measures.

Performance framework

The Ministry takes an integrated, top-down/ bottom-up view of performance. Our outcomes and intermediate outcomes form our medium to long-term performance objectives. These are monitored through our systems and processes and our regular internal and external reporting framework.

Short- to medium-term priorities are monitored through milestones and deliverables. The Enterprise Portfolio Management Office is putting in place systems and processes to capture and monitor alignment of activity with priorities, achievement of milestones and deliverables (and budget), and benefits realised.

The Ministry's Leadership Team has established four governance committees, which receive regular performance reports and monitor progress and achievement. This allows the Leadership Team to focus on medium-term achievement and performance risk areas. To enable this organisational performance focus, a quarterly organisational performance report is provided to the Leadership Team and forms the basis of a quarterly performance-focused meeting.

Individual performance expectations are set and monitored using On Track. This is a dynamic and forward-looking process that allows for a series of conversations that plan for development and expectations and allow flexibility and renegotiation to respond to changing circumstances and priorities.

Delivering Better Public Services

In 2012 the Government established result areas with specific targets for the public sector. Some of these have since been refreshed. The Ministry is leading and contributing to a number of these results.

Better Public Services theme	Better Public Services result target	Progress towards results
Ministry of Social Development lead/co-ordination role		
Reducing welfare dependence (Result 1)	A 25 percent reduction (from 295,000 people as at June 2014 to 220,000 as at June 2018) in the total number of people receiving main benefits. A \$13 billion reduction in the long-term cost of benefit dependence, as measured by an accumulated actuarial release, by June 2018.	New targets were introduced in December 2014. Progress on these will be measured following the completion of the June 2015 quarter.
Supporting vulnerable children (Result 2)	Increase participation in early childhood education so that, in 2016, 98% of children starting school will have participated in quality early childhood education (ECE).	The percentage of children who had attended ECE before starting school increased to 96.1% for the 12 months to December 2014. This is an increase of 0.4 percentage points compared with the year to December 2013.
(Result 3)	Increase infant immunisation rates so that 95% of eight-month-olds are fully immunised by December 2014 and this is maintained through to 30 June 2017, and reduce the incidence of rheumatic fever by two-thirds to 1.4 cases per 100,000 people by June 2017.	As at December 2014, 93.5% of eight-month-olds were fully immunised. The provisional incidence rate for acute rheumatic fever initial hospitalisations for the year ending December 2014 was 3.4 per 100,000. This is a decrease of 0.9 percentage points from the year ending December 2013, when the rate was 4.3 per 100,000 initial hospitalisations.
(Result 4)	Halt the 10-year rise in children experiencing physical abuse and reduce current numbers by 5% by 2017.	In the year to December 2014, physical abuse was substantiated for 3,195 children, compared with the 3,089 in the 12 months to December 2013. This is an increase of 3.4 percentage points.
Ministry of Social Development contribution		
Boosting skills and employment (Result 5)	85% of 18-year-olds will have achieved NCEA Level 2 or an equivalent qualification in 2017.	78.6% of 18-year-olds achieved NCEA Level 2 in 2013, up from 77.2% in 2012. This is an increase of 1.4 percentage points.
Reducing crime (Result 7)	A 20% reduction in total crime by 2018.	A new target was introduced in December 2014. Progress on this will be measured following the completion of the June 2015 quarter.
(Result 8)	By June 2017, reduce the reoffending rate by 25%.	For the year to December 2014, the reoffending rate reduced by 10.3% towards the target of 25% by 2017.
Improving interaction with Government (Result 10)	An average of 70% of New Zealanders' most common transactions with government will be completed in a digital environment by 2017.	As at December 2014, there was a 46.3% average digital uptake of the selected bundle of services. This is 3.5 percentage points above the December 2013 result.



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

Bowen State Building, Bowen Street,
PO Box 1556, Wellington 6140, New Zealand

New Zealand Government