



9 June 2026

Tēnā koe

Official Information Act request

Thank you for your email of 13 April 2026, requesting the latest Benefit System Report, and advice to Ministers on the shift from actuarial reporting.

I have considered your request under the Official Information Act 1982 (the Act).

As with all our work, the Ministry of Social Development (the Ministry) continually seeks opportunities to ensure our work reflects the priorities of the Government of the day. In this case, the Benefit Performance Report has not been discontinued, but its content and presentation has changed over time. Therefore the part of your request that relates to any discontinuation or cessation is refused under section 18(e) as the information does not exist.

The following links provide two recent examples of our reporting on long-term benefit liability, which are both available on the Ministry's website:

- Social Outcomes Model – Benefit System Insights (2024): www.beehive.govt.nz/sites/default/files/2024-10/Social%20Outcomes%20Model%20%E2%80%94%20Benefit%20System%20Insights.pdf
- Benefit System Report 2025: www.msd.govt.nz/about-msd-and-our-work/publications-resources/research/benefit-system/benefit-system-report-2025.html

The part of your request that asks for any briefings, communications, or advice provided to Ministers relating the shift from actuarial reporting to wellbeing or social outcomes frameworks and the costs and benefits of this shift is refused under substantial manual collation as this information is not centrally held.

In order to provide you with this information, the Ministry would need to divert personnel from their core duties and allocate extra time to complete this task. The diversion of these resources would impair the Ministry's ability to continue standard operations and would be an inefficient use of the Ministry's resources. As such, your request is refused under section 18(f) of the Act, as it requires substantial collation. The greater public interest is in the effective and efficient administration of the public service.

I have considered whether the Ministry would be able to respond to your requests given extra time, or the ability to charge for the information requested. I have

concluded that, in either case, the Ministry's ability to undertake its work would still be prejudiced. To be helpful, we are providing you with the key information that we have identified as relevant to this part of your request.

Please refer to the attached **Appendix** which provides *REP/17/11/1197 Modelling Social Outcomes*, dated 24 November 2017.

We are also providing you with *REP/25/9/737 Benefit System Report Key Findings*, dated 8 October 2025 which is publicly available on the Ministry website (pp. 180-185): www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/official-information-responses/2025/december/15122025-all-advice-and-correspondence-regarding-jobseeker-numbers-since-1-january-2025-including-modelling-or-scenarios.pdf

I will be publishing this decision letter, with your personal details deleted, on the Ministry's website in due course.

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

If you are not satisfied with my decision on your request, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Ngā mihi nui

pp. 

Anna Graham
General Manager
Ministerial and Executive Services



Report

Date: 24 November 2017

Security Level: IN CONFIDENCE

To: Hon Phil Twyford, Minister of Housing and Urban Development
Hon Carmel Sepuloni, Minister for Social Development

Modelling social outcomes

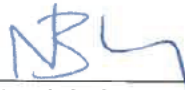
Purpose of the report

- 1 This report gives an overview of our envisaged future modelling of social outcomes.

Recommended actions

It is recommended that you:

- 1 **note** that, to support the development of the welfare and public housing systems over time, the Ministry tracks and forecasts service demand, costs, and (increasingly) outcomes for clients — information that underpins planning and prioritisation
- 2 **note** that, to enable results to feed into priority-setting and reporting processes, the Ministry intends to release a Request for Proposal (RFP) for modelling support prior to the Christmas break. This will include exploring with providers modelling developments consistent with the Government's welfare, social investment and housing policy agendas (extensions that would be subject to further discussion with you later in the process)
- 3 **provide** any feedback on this briefing, including any additional ways that you would like to see the modelling developed
- 4 **note** that descriptions of, and communication about, this modelling work has been reframed — as reflected in the content of this briefing — to more accurately convey what the modelling does and why it is important and to reflect the Government's priorities
- 5 **note** that the Ministry considers that our intended evolution of the modelling work is valuable to government regardless of proposed changes to housing institutional arrangements that may alter the Ministry's role in housing.
Minister of Housing and Urban Development
- 6 **indicate** whether a briefing on the direction of social investment, as recently provided to Minister Sepuloni, would be useful to discuss the importance of tracking and modelling outcomes in the wider context of pursuing the best possible social outcomes for New Zealand.



Nic Blakeley
Deputy Chief Executive, Insights & Investment

24/11/17

Date

Hon Phil Twyford
Minister of Housing and Urban Development

Date



Hon Carmel Sepuloni
Minister for Social Development

26/11/17

Date

Why we model

- 2 Modelling the future demand and supply of services is a core requirement of running an effective system. For example, we need to:
 - Understand expected demand for services, to conduct effective service planning to respond to clients' needs (such as planning ahead when setting the public housing purchasing strategy to help ensure appropriate future supply of public housing)
 - Understand what leads to significant changes in demand, so we can work on reducing adverse changes to improve outcomes for people
 - Understand whether current interventions are working, feeding back into improved service design and delivery to better support clients
 - Understand how external events (such as changes in unemployment, labour market settings, and house price dynamics) impact demand for services and the ability of services to respond effectively
 - Understand the overall cost of services (and various breakdowns of this cost) to feed into government financial planning and budget processes, as well as examine changes in the cost of providing services over time
 - Understand which changes to current settings may generate the best possible improvement in social outcomes — so that we can prioritise our work accordingly.

For similar reasons, other government agencies conduct comparable work in their own contexts, such as to effectively manage the health, accident compensation, justice, and roading systems. All of these agencies/contexts (and others) share a common goal: achieving the best possible outcomes for New Zealand over the long-term. Modelling is central to this goal, as it seeks to understand what will play out in the future, to inform high-quality decisions on priorities and changes now.

- 3 To date, this modelling work has sometimes been called the 'actuarial valuation' — a label that we wish to move away from. While actuarial analysis (the assessment of future risks, scenarios, and outcomes) will remain an important part of the work, the modelling does not fundamentally exist to produce a 'valuation' (an estimate of the total future costs of the system being modelled). Rather, the model's main purpose is to understand the important considerations noted in para 2 above.
- 4 Our modelling has, within a few years, led to very important developments in our service design, delivery, and focus — resulting in much better social outcomes than would otherwise have occurred. For example, modelling has underpinned:
 - A change in how we view our clients, due to better understanding of their long-term needs
 - A change in the mix of services we offer, to better meet clients' needs
 - A change in how clients are allocated to case management services, to better match clients with the services most likely to be effective for them
 - Identification of client groups for who services could be more effective, and development of trials to find better ways of working with these groups. For example:
 - The Intensive Client Support: Early Entrants trial, which aims to help clients who first entered the benefit system at young ages to find and sustain employment
 - Mana Taimahi, which aims to improve collaboration between the Ministry and Primary Health Organisations (PHOs) to support better employment and health outcomes for clients
 - The Sustaining Tenancies trial, which aims to support public housing tenants at risk of having their tenancies terminated (for example, due to

persistent antisocial behaviour) to sustain their tenancies and progress to better long-term outcomes

- The Supporting Offenders into Employment trial co-designed with the Department of Corrections, which aims to reduce re-offending among former offenders and help them to find and sustain employment
- Assessing the performance of trials underway to help the Ministry understand whether these should be stopped, changed, scaled up, or rolled out.

Current modelling

- 5 Our current model gives an integrated view of the benefit and public housing systems. The model is part of a suite of analyses informing evidence-based decision making, such as cost-effectiveness assessments of initiatives, trial evaluations, and targeted data-driven research.
- 6 The model has been enriched over time through the incorporation of new data sources. In addition to the Ministry's own data, it now uses anonymised data from the Ministry for Vulnerable Children, Oranga Tamariki; the Department of Corrections; Housing New Zealand; Community Housing Providers (CHPs); and the Ministry of Education. The richer resulting view has helped us understand our clients' circumstances better and improve service provision.
- 7 We have a small modelling team and outsource some of the modelling work to get the benefits of external expertise (including independent perspectives and learnings from a wide range of other contexts) and competition among suppliers. Our current provider's contract will end when the 2017 modelling is complete. This offers an excellent opportunity to enhance and repackage the modelling for the next phase.

Future modelling

- 8 There are significant opportunities to further develop our modelling. Like other key aspects of the Ministry's work, it is important that our modelling continues to improve, to support better outcomes for New Zealanders.
- 9 Smaller improvements are occurring all the time as part of our routine work. Bigger changes, however, tend to be considered periodically, as they lend themselves to being made at points when our models are being fundamentally reviewed for a new phase. This is the process we are currently in.
- 10 There are four main areas of significant change we are currently contemplating. All of these changes reflect the Government's priorities and, more generally, are consistent with our objective of monitoring and supporting the effectiveness of our service delivery over time. The areas of potential change are:
 - Broadening the range of outcomes forecast
 - Broadening the group of people modelled
 - Moving the modelling into the Integrated Data Infrastructure (IDI)
 - Modelling emergency and transitional housing as well as public housing.

Broadening the range of outcomes forecast

- 11 Current modelling forecasts clients' pathways into, through, and out of the welfare and public housing systems, as well as the costs of paying benefits and housing assistance (Income Related Rent Subsidy and Accommodation Supplement).
- 12 The outcomes forecast could be expanded to include (for example) health status, education level, employment status, income (including Working for Families and other tax credits), and other wellbeing indicators. This would offer:
 - Richer understanding of how Ministry services and other factors influence clients' lives. This is particularly important for housing, as housing stability creates favourable conditions for improvements in other aspects of clients' lives

- Insight into which outcomes to target when in the life course, and with which services, to best support New Zealanders to achieve their potential
 - More comprehensive understanding of the value of Ministry spending.
- 13 We intend to model additional indicators of people's wellbeing to improve our understanding of social outcomes. As with all modelling, this involves an on-going process of broadening what is modelled as we become confident that additional indicators can be modelled robustly and add further value to decision making. 'Wellbeing' and 'social outcomes' are multi-faceted concepts, so are not modelled directly in their own (holistic) rights. Instead, modelling seeks to progressively improve our understanding by generating insights about particular facets of these wider concepts.
- 14 The children's model operated by the Ministry for Vulnerable Children, Oranga Tamariki already incorporates an overall wellbeing factor. This is a measure combining indicators from five domains (safety, security, stability, wellness, and development) that aim to collectively proxy overall wellbeing. Aligning with this existing work would provide a lifetime view of wellbeing. Aligning with the justice model led by the Ministry of Justice also offers an opportunity for a richer perspective.

Broadening the group of people modelled

- 15 Current modelling forecasts outcomes for people who are currently receiving a benefit or in public housing, or who have during the last year. This helps us understand those in or 'close to' welfare. We have work underway to augment this understanding by tracking and analysing wider off-benefit outcomes, such as employment sustainability, and education and training. There is an opportunity to integrate this work with current modelling to give a more unified view of client outcomes.
- 16 The population that outcomes are forecast for could be expanded to the whole New Zealand population. This would offer:
- Better understanding of the pathways of those not on benefits, whether remaining strong and independent, or requiring benefit system supports in the future. (This aspect was identified in the Labour manifesto)
 - Better understanding of the pathways of those not in public housing
 - Greater ability to examine resilience and protective factors
 - Better understanding of the impacts of labour market conditions
 - Ability to model intergenerational effects.

These could all inform preventative measures.

Moving the modelling into the IDI

- 17 Current modelling uses Ministry of Social Development-hosted data.
- 18 Moving the modelling into Statistics New Zealand's Integrated Data Infrastructure (IDI) would be the crucial enabler for both considering a broader range of long-term social outcomes as set out in the Government's manifesto commitments, and broadening the group of people modelled. In addition, it would offer:
- Greater privacy protection through the IDI anonymisation and security protocols
 - A more robust approach to joining different data sources together
 - Ease of connection to other models in the IDI.

Modelling emergency and transitional housing as well as public housing

- 19 Current modelling focusses on clients on the public housing register, in public housing, or who have recently exited the register or public housing.
- 20 The range of housing supports modelled could be extended to include emergency and transitional housing. Current data availability and quality would limit the

sophistication of what could be done in the short term. However, a more comprehensive picture of the housing system would be provided, enabling better decisions to be made about the system as a whole.

Next steps

- 21 We intend to release the RFP before the Christmas break. Following receipt of any feedback from you the Ministry will complete the development of RFP materials and commence a tender process.
- 22 The Ministry will use the tender process as an opportunity to invite feedback from prospective suppliers on the value and feasibility of the potential model developments already identified, as well as the value and feasibility of any other suggestions they might have for how the modelling could better support the Government's priorities.
- 23 The new or incumbent provider's contract will start on or about 1 March 2018, in order to provide adequate lead time for the subsequent modelling work.

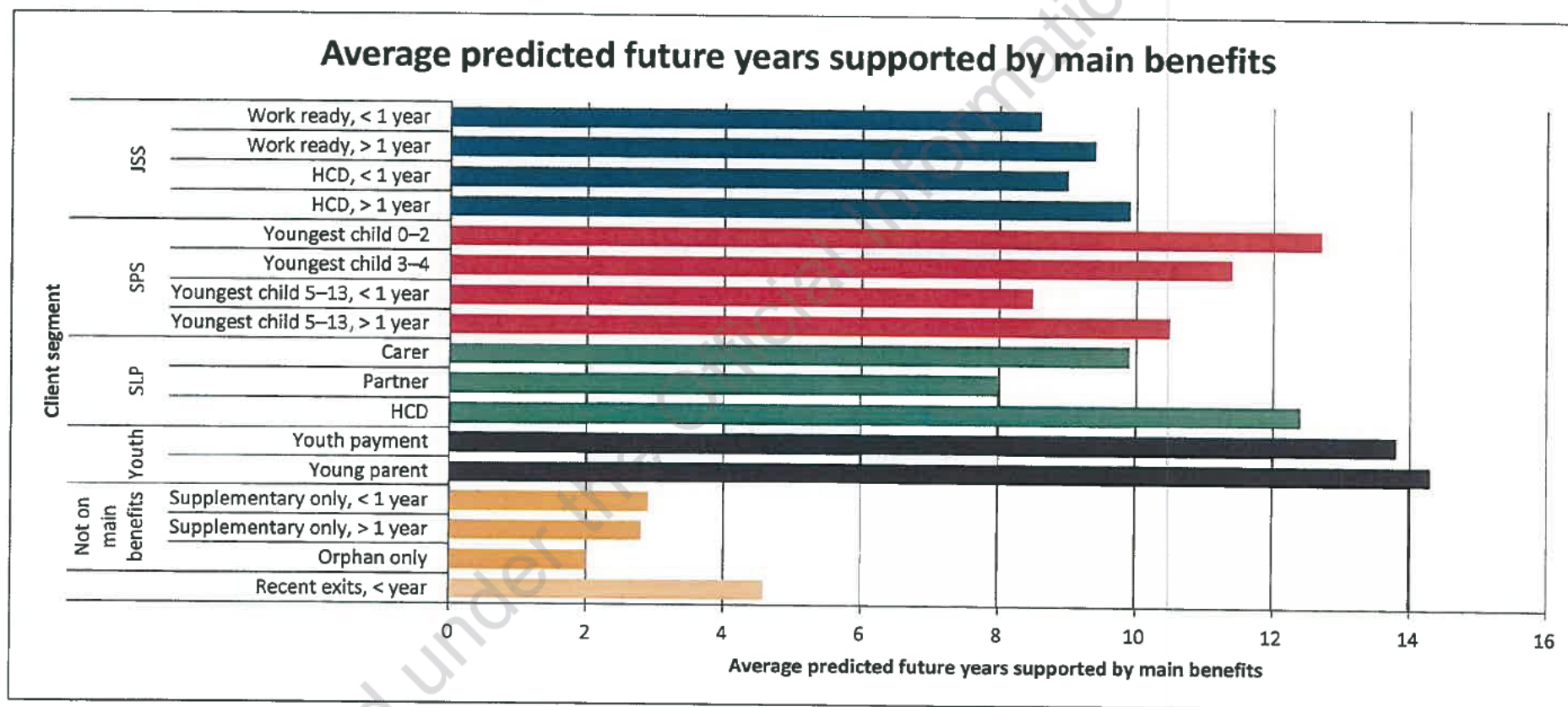
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Author: (Jeffrey Azzato, Actuary, Insights & Investment)

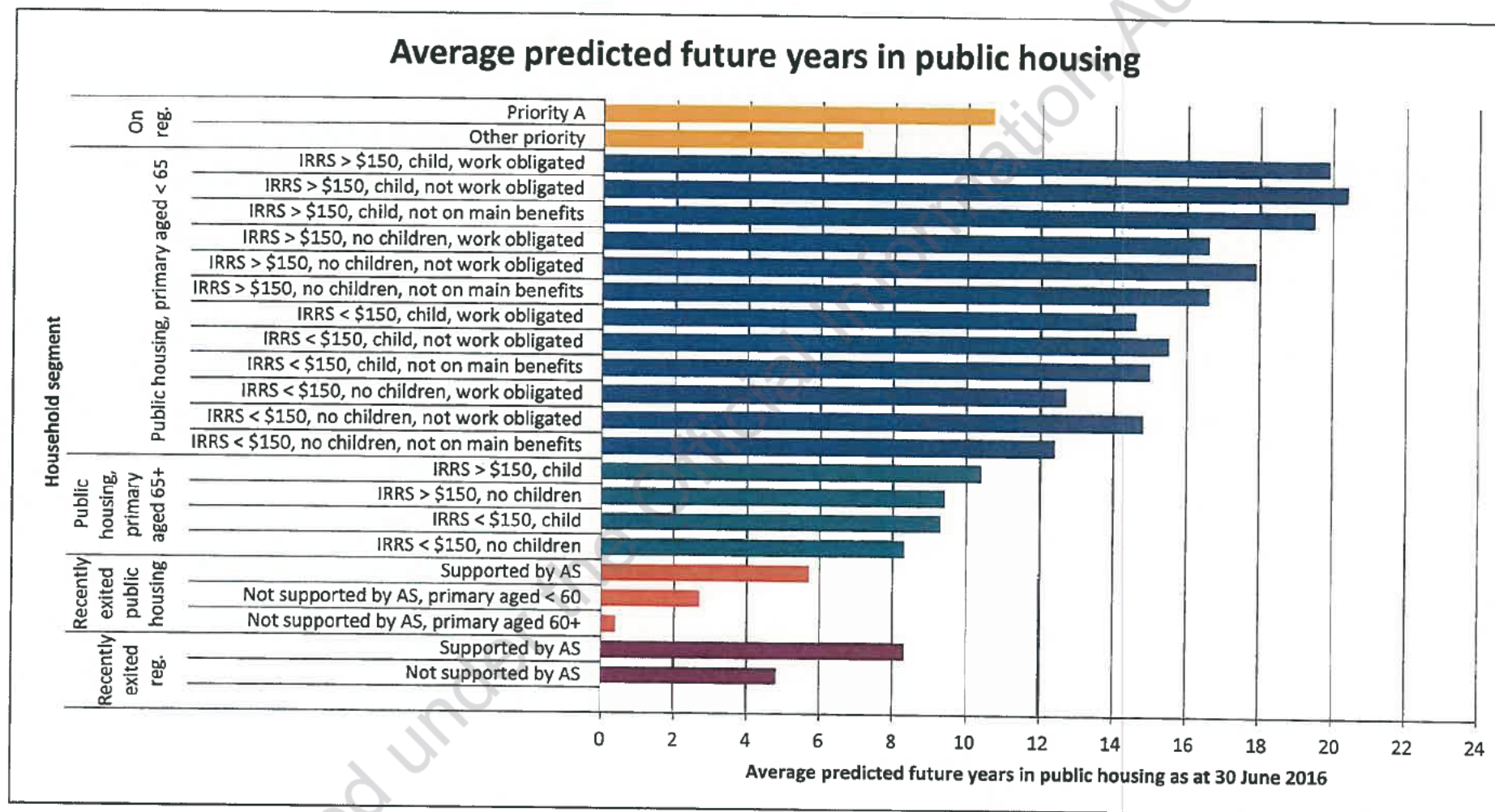
Responsible manager: (Eric Judd, Head of Actuarial, Insights & Investment)

Annex

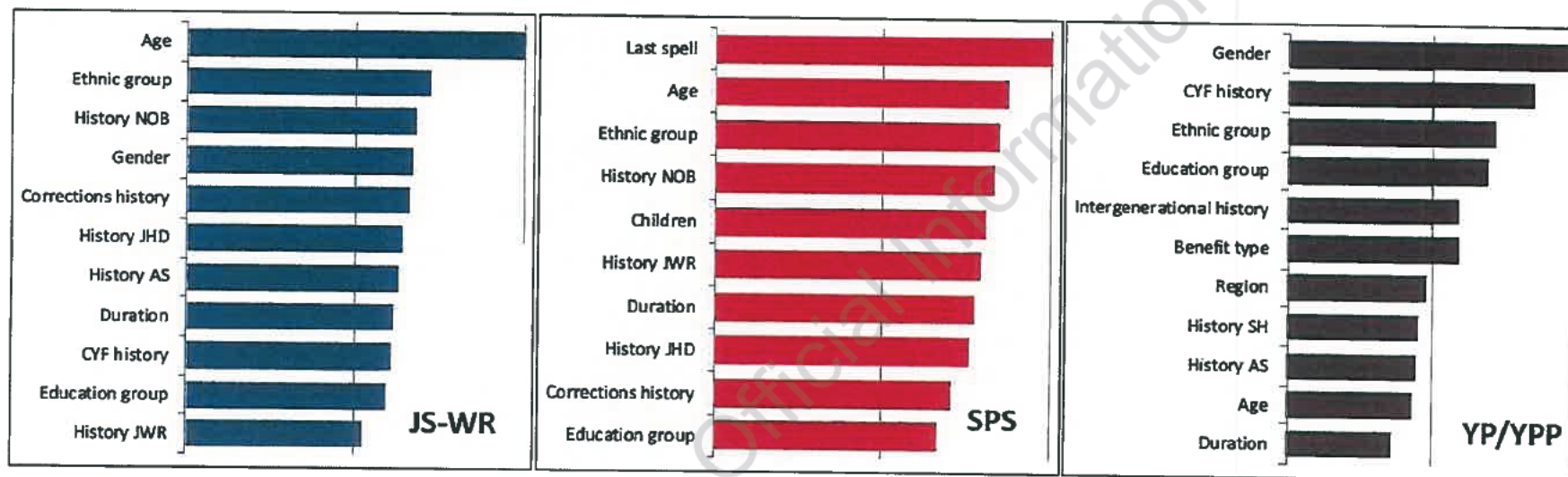
- 1 This annex shows some insights from modelling to date.
- 2 The figure below shows how predicted future time supported by main benefits varies with clients' circumstances. We can analyse this by a wide range of factors. This information is used to help tailor and prioritise services to improve client experience.



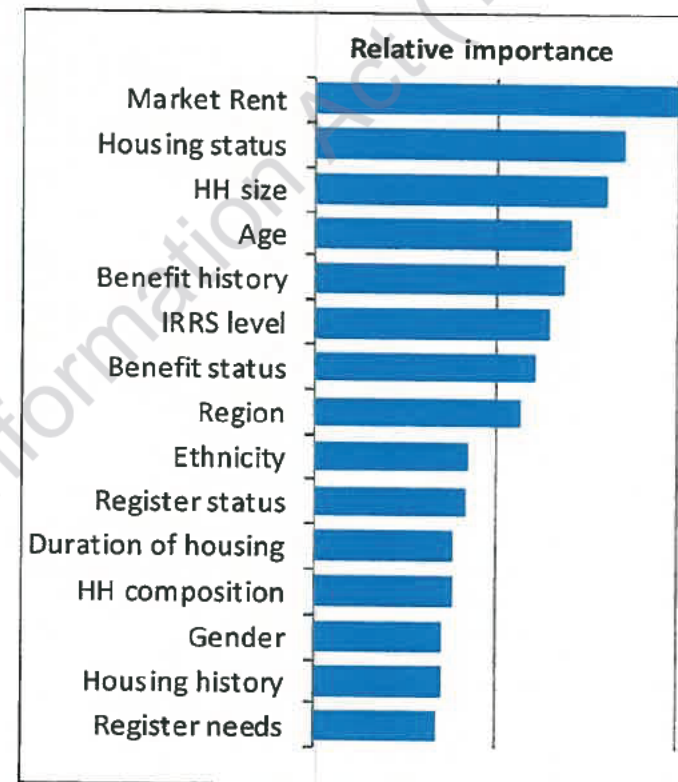
- 3 The figure below shows how predicted future time in public housing varies with households' circumstances.



- 4 The figures below show for three benefit system segments the relative importance of different client characteristics in understanding the likelihood of being supported by benefits in the future. This information can help point to potential risk and protective factors, which can then be investigated.



- 5 The figure to the right shows for households in public housing the relative importance of different household characteristics in understanding the likelihood of being supported by social housing in the future. As for the benefit system, this information can point to potential risk and protective factors for investigation.



- 6 The figures below show three comparisons of actual client transitions over time to predictions from the modelling. Tracking actual outcomes against model predictions enables us to identify emerging trends. We can then monitor, investigate, and respond to these appropriately.

