

Employment Assistance Effectiveness 2024/25

This report summarises the Ministry's evidence on the effectiveness of its Employment Assistance

MSD provides a range of different Employment Assistance programmes to help people prepare for, find, and keep employment

Given the economic and labour market context, it is especially important to understand how our Employment Assistance (EA) services are performing, including who they support.

This A3 pack sits alongside a [fuller report](#), and highlights how much EA spend was on programmes that have been formally evaluated using quantitative methods, such as propensity score matching (PSM), in the Integrated Data Infrastructure (IDI), and whether those programmes were effective. This information can be used to inform ongoing improvements in the allocation of MSD's overall investment.

What's new in the 2024/25 report

EA programme categories

For the 2024/25 report we have made improvements to the way we categorise MSD's EA programmes. We plan to use these new categories going forward, for both these reports and the online EA catalogue. Programmes are now categorised based on their primary purpose. The categories broadly align with international standards, making international reporting and comparison easier, and allowing us to provide a strategic view of how the EA spend is being distributed. See page 10 for a full description of the new categories.

EA spend by participants' benefit type

For the first time, in this year's reporting we have split EA programme spend by the benefit type participants were receiving when they started the programme. This allows for analysis of how much is spent on each benefit group, average spend for each participant, and which categories of programmes different groups of people are accessing.

Differences from the Annual Report employment assistance effectiveness measure

The expenditure reported here and in the full EA effectiveness report is higher than reported in MSD's Annual Report EA effectiveness performance measure. This is because the Annual Report measure only includes interventions funded through the Improved Employment and Social Outcomes Support Multi Category Appropriation (MCA), while this report includes both the MCA, and any other employment related programmes funded by MSD.

Key findings

- *MSD spent \$839 million on EA programmes in 2024/25, a slight decrease compared to the previous year, and the proportion of spend rated as effective increased.*
- *52.1 percent of the EA spend was rated for effectiveness, and of that, 91.5 percent (\$400 million) was found to be effective.*
- *The proportion of EA spend that was feasible to evaluate was at a 12-year high of 65.5 percent.¹*
- *Labour Market Services, and Employment Incentives were the two EA categories with the highest expenditure in 2024/25.*
- *Four programmes have been newly evaluated, with two found to be 'effective' and two 'promising'.*
- *Two previously evaluated programmes have updated findings that change their rating to 'effective'.*
- *Jobseeker Support – Work Ready clients received the largest proportion of EA spend, which is consistent with the Employment Investment Strategy's focus on supporting work-ready clients into employment.*

¹ EA spend feasible to evaluate includes programmes that have been evaluated, as well as programmes that are not yet rated or are too soon to rate

EA spending and effectiveness

MSD spent slightly less on employment assistance programmes in 2024/25 compared to the previous year, and the proportion of spend rated as ‘effective’ increased slightly

In the 2024/25 financial year, MSD spent an estimated \$839 million on employment interventions.² EA spending has decreased since a peak of \$926 million in the 2022/23 financial year.³ The reduction in overall funding primarily reflects the ending of time-limited funding introduced in response to COVID-19.

Figure 1 shows how EA spending has changed over time. While the fraction of evaluated spend rated effective has decreased since 2020/21, actual spending on programmes found to be ‘effective’, ‘mixed’, or ‘promising’ has increased, while spending on programmes that were found to be ‘negative’ or made ‘no difference’ has decreased.

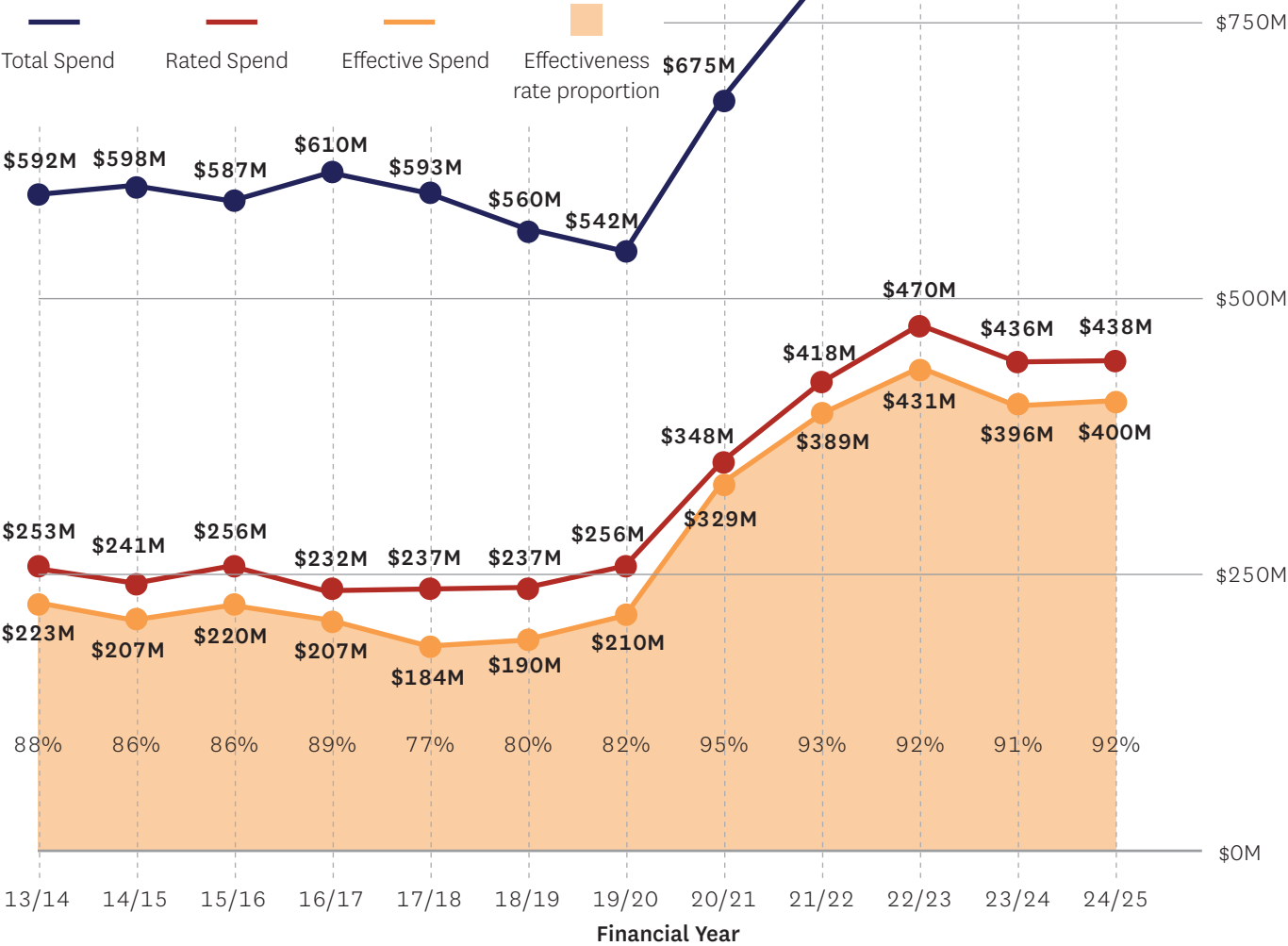


Figure 1: The spend on EA programmes has decreased from the COVID response high of 2022/23

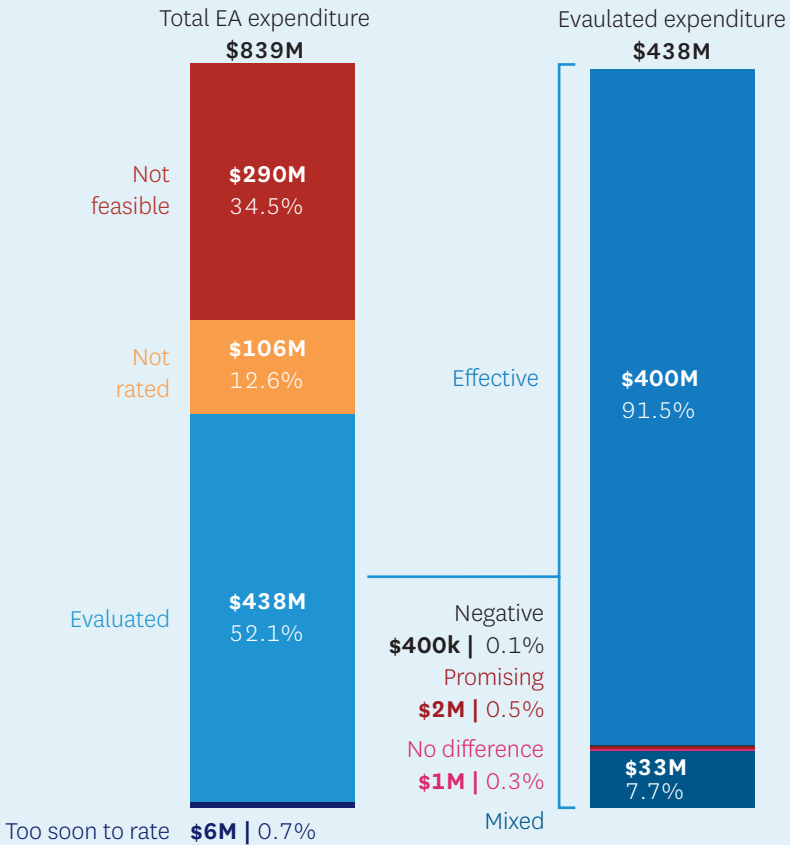
Total expenditure, rated spend, and effective spend on EA interventions by financial year

Most of MSD’s rated EA spend has an ‘effective’ rating, with both the total amount and the proportion increasing since last year

In the 2024/25 financial year most of the \$438 million in EA spend that could be rated was found to be effective. This was an increase in both the total amount (from \$396 to \$400 million) and proportion (from 90.8 percent to 91.5 percent) found to be effective in the 2023/24 financial year. Figure 1 shows that the proportion rated as effective was significantly lower in 2019/20 at 82.0 percent, but in the five years since then it has been consistently over 90 percent.

Figure 2 shows how EA spending was split in 2024/25. The left bar shows how much of the EA spend has been evaluated. The right bar shows the evaluation ratings of the expenditure that has been evaluated.

Figure 2: Total EA expenditure by evaluation status effectiveness⁴



Spending on programmes with a ‘mixed’ rating decreased slightly in 2024/25 due to a reduction of spending on Youth Service (NEET)

Programmes with a ‘mixed’ rating are those that have a positive impact on at least one outcome, and a negative impact on at least one outcome. In 2024/25, \$33 million (7.7 percent) of spending on EA programmes was found to be ‘mixed’. This is a decrease from the \$37 million spent on programmes with mixed results in 2023/24, with the majority of the decrease coming from a reduction of \$3.9 million in spending on Youth Service (NEET). The two largest programmes in this group were the Training Incentive Allowance (TIA, \$16.6 million) and Youth Service (NEET) (\$13.5 million).

The Training Incentive Allowance had a ‘mixed’ rating because it increased qualifications, employment, and income, but participants have higher levels of income support in the short term

The TIA (\$16.6 million) provides financial assistance to support people receiving Sole Parent Support (SPS) and Supported Living Payment (SLP) to study up to level 7 of the New Zealand Qualifications and Credentials Framework (NZQCF). Compared to a comparison group, participants are more likely to gain qualifications, and go on to have higher levels of employment and income. However, in the short term, TIA participants receive higher levels of income support than the comparison group.

Youth Service (NEET) had a ‘mixed’ rating because it has a positive impact on income, but negative impacts on study and welfare receipt

The Youth Service (NEET) (\$13.5 million) targets young people transitioning from school who are at risk of not participating in employment, education, or training. Initial analysis found it achieved the goals of increasing education retention and increasing NZQCF level 2 qualifications gained. However, these did not translate into improvements in later outcomes. The most recently evaluated year (2020) shows a positive impact on income, but negative impacts on study and welfare receipt.

Changes were made to the programme in January 2020, but have not resulted in an improvement in effectiveness. However, this may in part be because of the difficulty of running a face-to-face case management service over the lockdown periods.

^{2/3} We use the individual Cost Allocation Model (iCAM) to estimate the cost of EA interventions for each financial year. See the appendix or our [technical documentation](#) for more details

⁴ Due to rounding, expenditure may not sum to total

EA spending by programme type

Labour Market Services was the largest area of spending in 2024/25, with the majority of the spending on Individual Case Management

In the 2024/25 financial year \$290 million (34.6 percent of total EA spending) was spent on Labour Market Services, which has three sub-categories: Individual Case Management, Information Services, and other services/activities (see page 10).

Most of the Labour Market Services spend (\$168.2 million, 57.9 percent of the category’s spend) was on Individual Case Management programmes where clients get one-on-one support, such as Employment-related Case Management (\$25.2 million, or 15.0 percent of Individual Case Management spending) and Youth Service (\$36.8 million, or 21.9 percent of Individual Case Management spending).

Information Services had expenditure of \$109.9 million (37.9 percent of the category’s spend). These programmes provide individuals with information and support for career guidance, job search skills, and navigating employment options. The largest programmes in this category were Kōrero Mahi – Let’s talk work (\$22.3 million, or 20.3 percent of Information Services spending), Māori Trades and Training Fund (\$16.9 million, or 15.4 percent of Information Services spending) and Jobs and Skills Hubs (\$13.9 million, or 12.7 percent of Information Services spending).

\$12.2 million was spent on Other Services/Activities (4.2 percent of the category’s spend). This sub-category includes all programmes that do not fit within the other categories. The largest programme in this category in 2024/25 was Limited Services Volunteer (\$9.6 million, 78.8 percent of the sub-category).

Employment Incentive programmes also made up a significant proportion of total EA spending, with the majority of this on Employment Maintenance Incentives

In 2024/25 \$285 million (33.9 percent of total EA spending) went to Employment Incentives, which has two sub-categories, Recruitment Incentives, and Employment Maintenance Incentives.

Most of this spend went to Employment Maintenance Incentives (\$188.3 million, or 66.1 percent of the category’s spend), which includes programmes designed to help people remain in employment. The largest programmes in this group are focussed on childcare, such as the Childcare Subsidy (\$106.9 million, or 56.8 percent of Employment Maintenance Incentives spending) and OSCAR Subsidy (\$47.3 million, or

25.1 percent of Employment Maintenance Incentives spending). This sub-category also includes support programmes like In-Work Support Service (\$1.0 million, or 0.5 percent of Employment Maintenance Incentives spending), which focuses on providing pastoral support and financial incentives for staying in work, to clients that re-enter the benefit system multiple times.

Recruitment Incentive programmes made up the remaining Employment Incentives spending. This includes programmes such as Flexi-wage (\$43.8 million, or 45.3 percent of Recruitment Incentive spending) that encourage employers to hire MSD clients, while other programmes such as the Transition to Work Grant (\$24.6 million, or 25.4 percent of Recruitment Incentive spending) help clients with the additional costs of entering employment.

MSD’s EA programmes are categorised based on the primary purpose of the intervention, and aligning with international standards

A detailed description of the EA programme categories, and their sub-categories, can be found on page 10.

4

Disability employment support: Programmes or interventions designed to assist disabled people, including people with long-term health conditions or with reduced working capacity following accident or illness. The programmes or interventions aim to help people prepare for and enter the workforce, or resolve issues that might act as blockers to employment.

- 4.1. Disability Employment Support:** e.g. Employment Participation and Inclusion services
- 4.2. Vocational Rehabilitation:** e.g. Oranga Mahi – Individual Placement Support District Health Board
- 4.3. Participation and Inclusion:** no active programmes in 2024/25⁵

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Labour market services: Services that help clients and other jobseekers navigate the labour market and the available employment supports. The services range from relatively light-touch information services, seminars, and job search support, to longer-term one-on-one case management.

- 1.1. Information Services⁶:** e.g. Kōrero Mahi - Let’s talk work
- 1.2. Individual Case Management:** e.g. Employment Placement or Assistance Initiative
- 1.3. Other Services/Activities:** e.g. Limited Service Volunteers

5

Direct job creation: Measures to create additional jobs to help long-term unemployed people, or those with difficulty finding work. The aim is to provide an opportunity to maintain work, develop skills, and increase employability.

- 5.1. Public, Non-profit, or Community Jobs:** e.g. Mayors’ Taskforce for Jobs
- 5.2. Market Jobs:** e.g. Work Experience

2

Training: Interventions aimed at improving the skills and employability of participants. Includes general education as well as job or industry specific training. Examples include short industry training courses, study support payments, and paid training like apprenticeships.

- 2.1. Institutional Training:** e.g. Driver licence programmes
- 2.2. Workplace Training:** e.g. Skills for Industry
- 2.3. Integrated Training:** no active programmes in 2024/25
- 2.4. Special Support for Apprenticeships:** no active programmes in 2024/25

6

Start-up incentives: Programmes that promote entrepreneurship by encouraging people who are unemployed or from specific target groups to start their own business or become self-employed.

- e.g. Flexi-wage Self-Employment

3

Employment incentives: Interventions and measures that help individuals move into employment, encourage employers to hire MSD clients, and support the continued employment of persons at risk of job loss. These interventions may focus on the employer or employee.

- 3.1. Recruitment Incentives:** e.g. Flexi-wage
- 3.2. Employment Maintenance Incentives:** e.g. Childcare Subsidy

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Obligations: Obligations or requirements placed on benefit recipients that encourage them to enter employment.

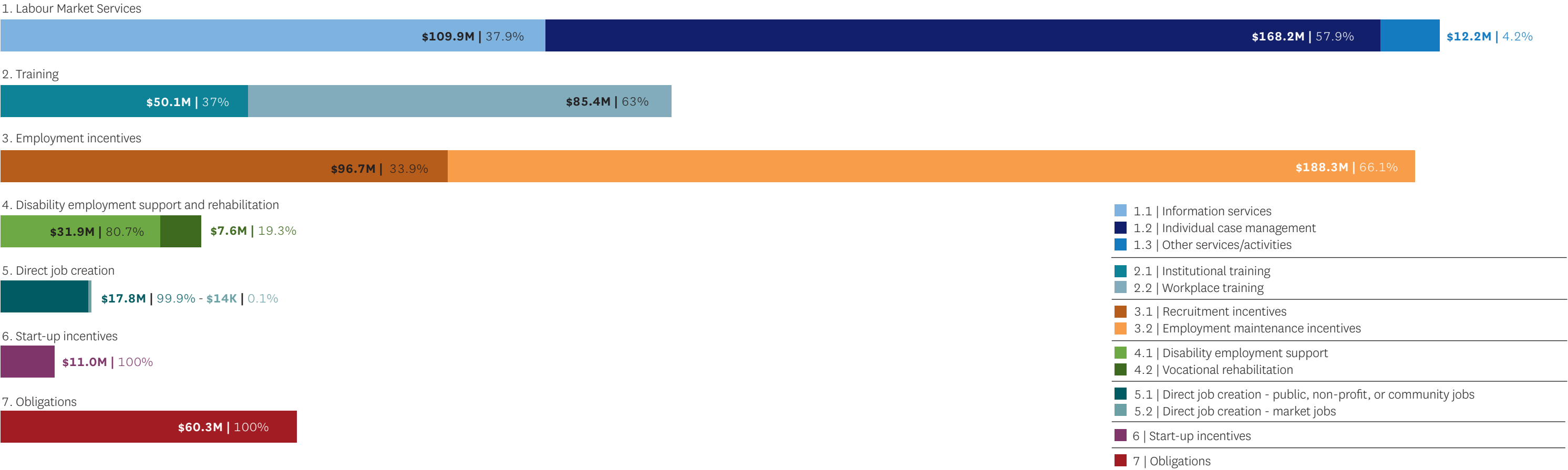
- e.g. Jobseeker Support - Work Ready 52-week benefit reapplication

⁵ In future reports Employment Participation and Inclusion services will be split to separately identify employment programmes from participation and inclusion programmes (e.g. Disability Enterprises, Disability Employment Service, Transition from School).

⁶ Seminars and work expos are not evaluated separately from the programme they are a part of. Any programmes that include a seminar component, such as Korero Mahi, are evaluated as a whole).

EA spending by programme type continued

Figure 3: EA spend by programme type

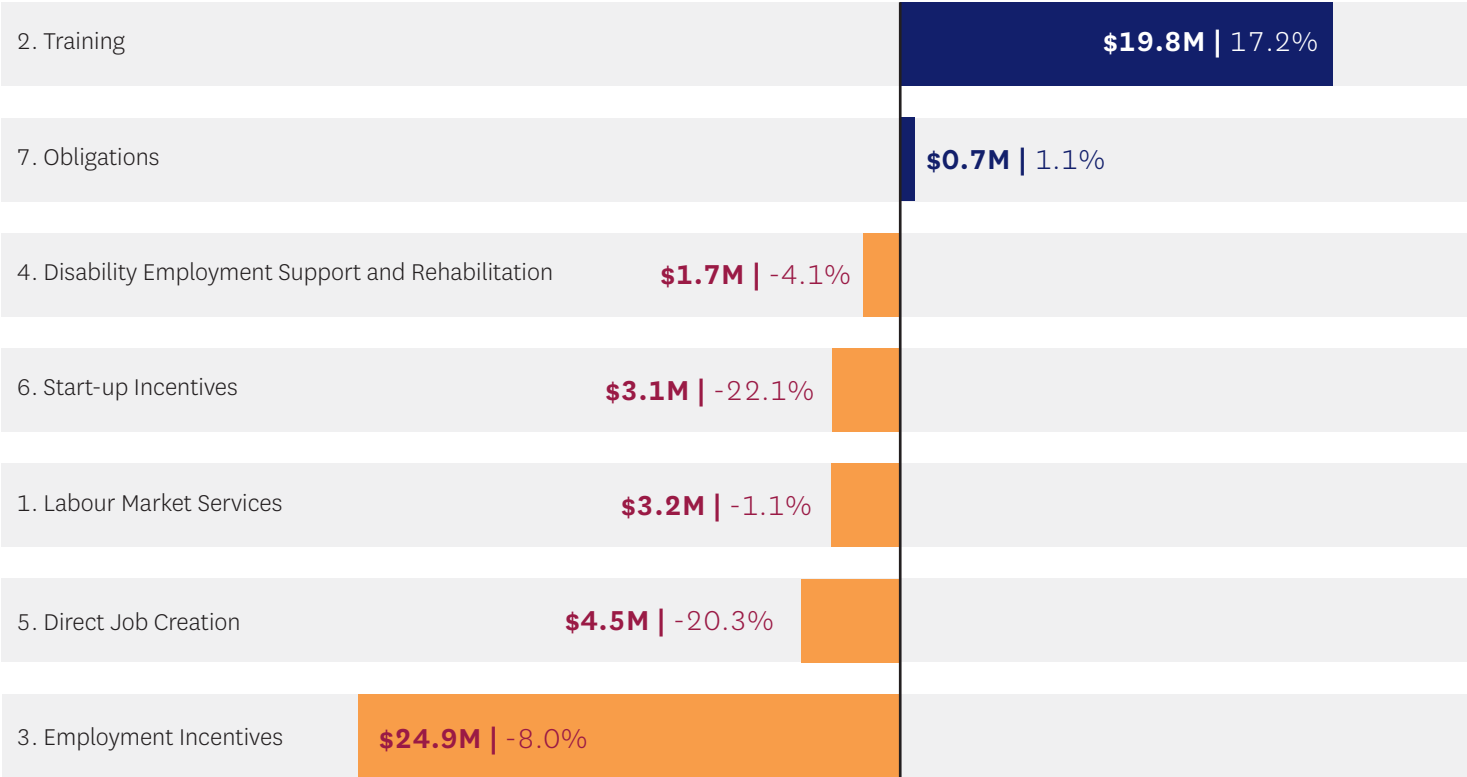


Spending on training programmes increased by 17.2 percent in 2024/25 compared to the previous year

Figure 4 shows how EA spending by category changed between 2023/24 and 2024/25. Both Training and Obligations had increases in expenditure in 2024/25. Spending on Training increased by \$19.8 million (up 17.2 percent from the previous year). This was driven by increased spending on Skills for Industry (which increased by \$12.3 million, or 17.1 percent) and Driver Licence Programmes (which increased by \$5.2 million, or 24.0 percent). Expenditure on programmes related to Client Obligations increased by a small amount (up \$700,000, or 1.1 percent).

The other five categories all had decreases in spending. Employment Incentives had the largest absolute decrease in expenditure (falling \$24.9 million, or 8.0 percent), driven by reductions in spending on the Childcare Subsidy (which decreased \$8.8 million, or 7.6 percent), OSCAR Subsidy (which decreased \$5.2 million, or 9.9 percent), and Flexi-wage (which decreased 4.8 million, or 9.9 percent). Direct Job Creation programmes (falling \$4.5 million, or 20.3 percent), Start-up Incentives (falling \$3.1 million, or 22.1 percent), Labour Market Services (falling \$3.2 million, or 1.1 percent), and Disability Employment Support and Rehabilitation (falling \$1.7, or 4.1 percent) all had decreases in their levels of spending.

Figure 4: Changes in EA spend by programme type from 2023/24 to 2024/25



Changes in programme rating

Employment Service Response to COVID-19 Regional Contracts and Flexi-wage Project in the Community have both been evaluated as ‘effective’

Two programmes, Employment Service Response to COVID-19 Regional Contracts (\$6.2 million, or 0.7 percent of EA spending), and Flexi-wage Project in the Community (\$3.1 million, or 0.4 percent of EA spending), have been evaluated since the 2023/24 report and rated as ‘effective’. Employment Service Response to COVID-19 Regional Contracts provided funding for employment services to respond to the impact and assist with the recovery from COVID-19. Flexi-wage Project in the Community is a Direct Job Creation programme, and had positive impacts on income and employment, and reduced receipt of income support payments.

A further two programmes were evaluated as ‘promising’, indicating they are trending towards being rated as ‘effective’, but insufficient time has passed to produce enough data. E Ara E – Rise Up! (\$1.0 million, or 0.1 percent of EA spending) and Oranga Mahi – Take Charge (\$1.1 million, or 0.1 perecnt of EA spending) are both rated as ‘promising’, with trends suggesting they are both expected to have a significant positive impact over the medium to long term.

Two previously evaluated programmes have had their ratings changed to ‘effective’

Employment Participation and Inclusion services⁷ (\$31.4 million, or 3.7 percent of EA spending) has shifted from ‘promising’ to ‘effective’. The evaluation shows a positive impact on employment and no negative impacts in the most recently evaluated year (2021). The service provides support for people who have one or more disabilities to gain or retain sustainable employment.

Activity in the Community (\$300,000) has changed from ‘no difference’ to ‘effective’. It has a positive impact on employment and no negative impacts for the 2009-2012 cohorts. There have been very few participants since eligibility changes in 2007.

Work Ability Assessment has had its effectiveness rating changed to ‘negative’

Work Ability Assessment (\$400,000) has had its rating changed to ‘negative’ in the 2024/25 report. Work Ability Assessment is a relatively small Information Service programme primarily for Jobseeker Support – Health Condition or Disability (JS – HCD) clients, but it is also open to people who have been out of work for a long time. It is currently estimated as having a negative impact on income, and no significant impact on the other domains. However, it is possible this negative result is due to statistical issues in finding a comparable control group. We will continue to monitor the programme and this issue.

⁷ In future reports this spending will be split to separately identify employment programmes from participation and inclusion programmes (e.g. Disability Enterprises, Disability Employment Service, Transition from School).



EA spend by benefit type

Jobseeker Support – Work Ready clients received the largest amount of EA spend that can be linked to benefit type

Overall, Jobseeker Support – Work Ready (JS – WR) clients received the largest portion of EA spend that can be linked to benefit type, at \$258.4 million.⁸ This reflects the Ministry’s focus on supporting this group into employment and meeting the Jobseeker Target. Most of this spending has been on programmes that focus on Recruitment Incentives (\$62.9 million on JS – WR, or 65.0 percent of Recruitment Incentive expenditure), Workplace Training (\$53.9 million on JS – WR, or 63.1 percent of Workplace Training expenditure), and Individual Case Management (\$52.8 million on JS – WR, or 31.4 percent of Individual Case Management expenditure).

In these categories, the programmes with the largest spend on JS – WR clients were Skills for Industry (Workplace Training, \$53.2 million, 62.9 percent of Skills for Industry expenditure), the Employment Placement or Assistance Initiative (Individual Case Management, \$31.3 million, 87.6 percent of Employment Placement or Assistance Initiative expenditure), and Flexi-wage (Recruitment Incentives, \$29.9 million, 68.1 percent of Flexi-wage expenditure).

The average amount spent on a JS – WR client participating in a programme is less than the amount spent on Supported Living Payment and Youth Payment/Young Parent Payment clients

While they received the largest portion of EA spending as a group, the average spend per client for JS – WR recipients (\$879) is lower than a number of other benefit categories. SLP (\$1,362), Youth Payment/Young Parent Payment (\$2,318), and those not on a main benefit (\$1,842) all had higher average costs per participant. Of the main benefit categories, only JS – HCD (\$278) and SPS (\$645) have lower average costs per participant than JS – WR.

Around 28 percent of EA spending that can be linked to a benefit type is on people who were not receiving a main benefit, with most of this expenditure on Employment Maintenance Incentives such as childcare subsidies

The majority of EA expenditure on individuals not on a main benefit was on Employment Maintenance Incentives (\$99.6 million, or 61.2 percent). This expenditure was primarily on childcare assistance (the Childcare Subsidy, OSCAR, Flexible Childcare Assistance), but also includes financial incentives (In-Work Payment, Work Bonus) and support services (In-Work Support Service).

While these individuals were not receiving a main benefit, they may still have been receiving supplementary assistance such as the Accommodation Supplement.

Most EA spending can be linked to the participants’ benefit type

In 2024/25 about 70.5 percent of EA spending could be linked to the benefit of the recipient. This means there was \$247.9 million (29.5 percent) of EA spending that, while we know what programme it was spent on, we were not able to link it to an individual and as a result it cannot be assigned to a specific benefit group. To estimate costs by benefit received, MSD relies on linking information about programme participants with their benefit status. This is only possible for programmes where participants can be identified using a system client ID.

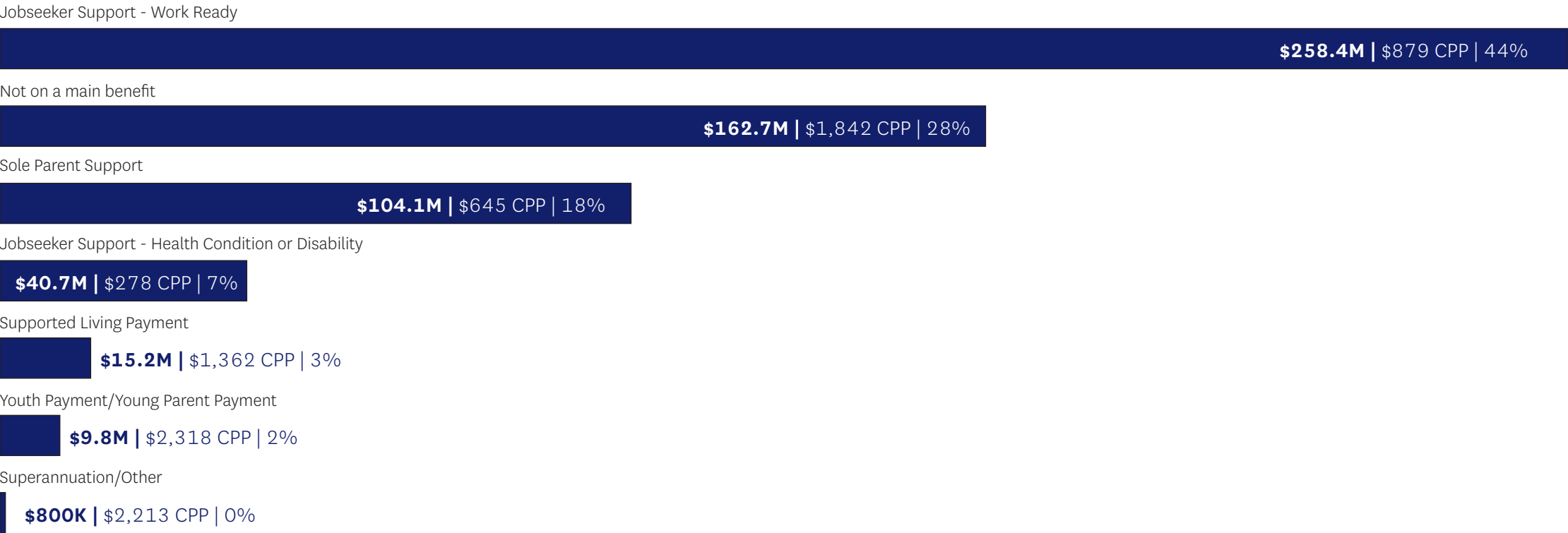
For some programmes, individual participant information is not collected. In other cases, participant information exists but is not linked to MSD’s main person identifier. This typically happens when providers record participant details in separate systems that do not connect to the central identity register. The share of spending that can be linked to benefit types varies from year to year, limiting comparability over time.

We are working to improve the quality of this data

Of the programmes where data could not be linked this year, \$114.4 million of that spending (46.1 percent of the unlinked EA spend in 2024/25) is expected to be linked to a benefit type in the 2025/26 report. There is a further \$83.2 million of that spend that will be able to be linked following analysis in the IDI. These improvements should enable comparisons across years in future reports.

Figure 5: EA spending by benefit type for all spend that can be linked to benefit type

[Total Spend | Cost per participant (CPP) | Fraction of linked spend]



⁸ Out of spending that can be allocated to individual participants.

The proportion of EA spending that is feasible to evaluate is at its highest level since 2013/14

There was 47.8 percent of EA spending that was not rated. Reasons for this are programmes being ‘not feasible’ to evaluate due to issues such as difficulty identifying participants or a control group (34.5 percent of EA spending), the evaluation work has not been done yet (‘not rated’, 12.6 percent of EA spending), or we are waiting on sufficient data to be available (‘too soon to rate’ 0.7 percent of EA spending).

Just over one third of EA spending was not feasible to evaluate, the lowest level over the reporting period from 2013/14

The proportion of EA spending that was not feasible to evaluate has been trending down since 2016/17. In 2024/25, 34.5 percent of EA spend (\$290 million) was not feasible to evaluate, which is the lowest value over the period since 2013/14. A programme can be not feasible to evaluate for several reasons. For some programmes, it can be difficult to find a comparison group that does not use the programme, for example, Childcare Assistance (Childcare Subsidy⁹, \$106.9 million, OSCAR Provider Assistance, \$21.8 million) where everyone with children is eligible to use the service. In other cases, it can be difficult to identify participants, for example where the intervention is a relatively light-touch information campaign, or if it is a contracted service that does not collect client information.

Some of these programmes may be able to be evaluated in the future if participant data can be collected, or if we create a dedicated evaluation design with some form of randomisation.

For 12.6 percent of spending (\$106 million), evaluation is feasible but has not yet been done, and Oranga Mahi – Here Toitū (\$6.1 million) is waiting on sufficient data for results

For 12.6 percent of spend (\$106 million), evaluation is possible but has not yet been undertaken. There are 25 programmes in this group, for which new evaluations are being planned and undertaken as capacity allows. In some cases, evaluation has already begun.

Evaluation work on Oranga Mahi – Here Toitū (\$6.1 million, or 0.7 percent of EA spend) has concluded, but insufficient time has passed to produce enough outcome data for reliable results. We expect to have sufficient data for effectiveness results for this programme by September 2026.

Six programmes (\$32.3 million) are no longer feasible to evaluate

There are six programmes that have changed to ‘not feasible’ to be evaluated since the 2023/24 EA effectiveness report. A programme can have its status changed in this way for a number of reasons, often related to difficulties in identifying participants, a comparison group, or when the group that receives the intervention is selected non-randomly.

Course Participation Assistance (\$5.9 million) changed from ‘evaluated’ to ‘not feasible’ due to concerns around selection bias. Clients often apply for the assistance after deciding to study. As a result, it is not possible to estimate whether the grant increased the likelihood of positive education outcomes.

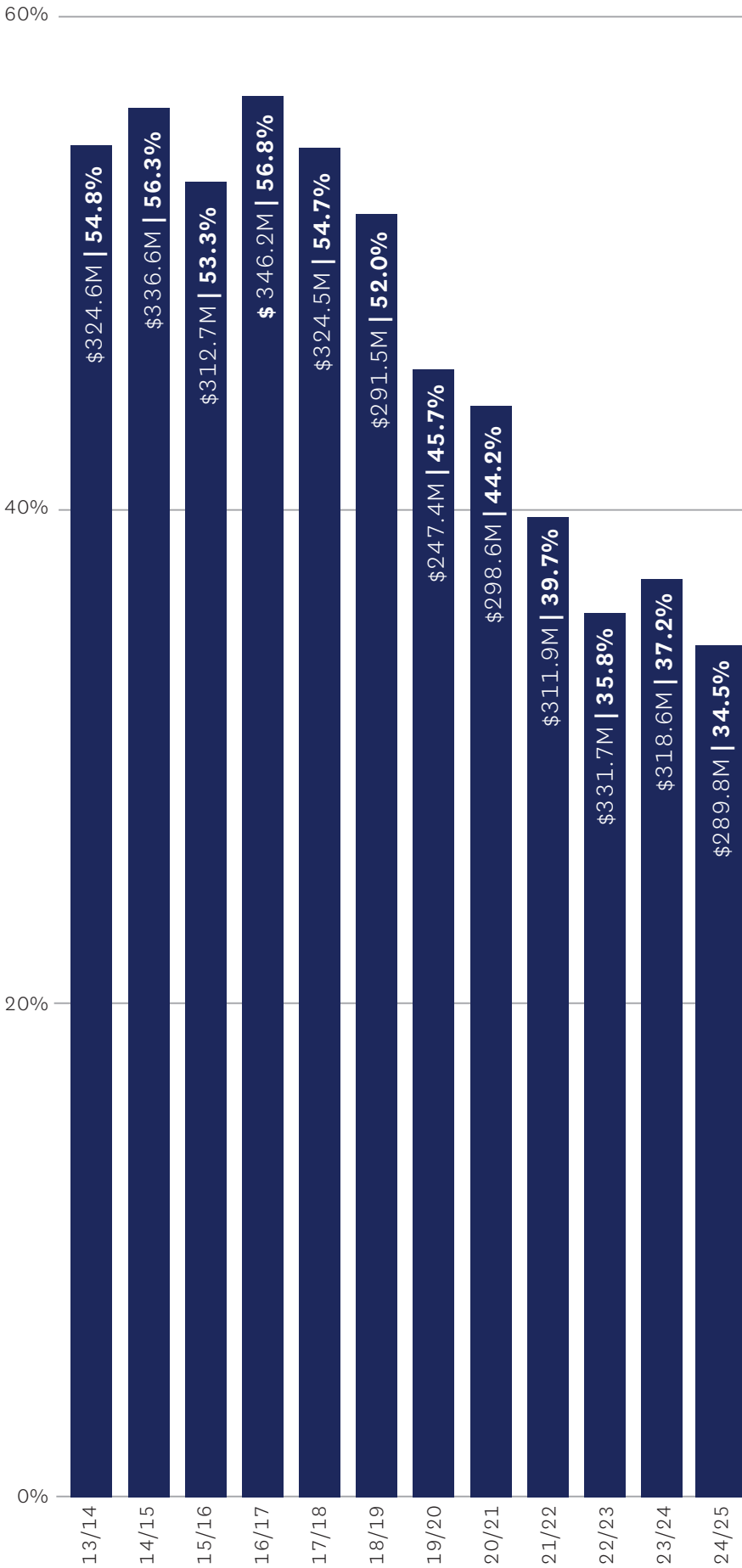
The remaining five programmes were changed from ‘not rated’ to ‘not feasible’, for the following reasons:

- Whītiki Tauā (\$500,000): participants difficult or impossible to identify
- Direct Career Service (\$3.1 million): participants difficult or impossible to identify
- Jobs and Skills Hubs (\$13.9 million): participants difficult or impossible to identify
- Rapid Return to Work (\$4.6 million): waiting on the inclusion of benefit application status in the income support data that is supplied to the IDI. Once this is available its feasibility will be reassessed
- In-work payment (\$4.3 million): previously had a Randomly Controlled Trial (RCT) completed as part of the In-work Support Service trial¹⁰. However, the study was too small for robust evaluation, and a new RCT would be required for sufficient evaluation evidence.

The Pacific Employment Action Plan has changed from ‘not feasible’ to ‘too soon to rate’

The Pacific Employment Action Plan (\$2.5 million), has changed from ‘not feasible’ to ‘too soon to rate’. Participant information is now being recorded in SORT (Service Outcome Reporting Tool) and supplied to the IDI. The technical analysis has been done, but participant numbers are currently too low and the follow-up period too short for results to be available. The evaluation results will be available in the future.

Figure 6: Proportion of expenditure on programmes not feasible for evaluation.



⁹ This includes the OSCAR (Out of School Care and Recreation) subsidy.

¹⁰ See [In-Work Support evaluations - Ministry of Social Development](#).

Appendix

Context

Supporting more people into work is a key focus for MSD

The relatively weak economy and labour market in the year to June 2025 led to increases in main benefit numbers. This was driven by an increasing number of people entering the benefit system on Jobseeker Support (JS), and fewer people exiting benefit to work. The number of people receiving JS increased by 19,600 (10.0 percent) from June 2024 to June 2025. Despite the weaker labour market conditions, MSD continued to support people off benefit and into work. There were around 70,300 exits from JS into work the year to June 2025, an increase of about 10,600 (17.8 percent) compared with the previous year.

Understanding the effectiveness of MSD’s employment assistance spend can help us support clients into employment

MSD provides a range of different EA programmes to help people prepare for, find, and keep employment. Given the economic and labour market context, it is especially important to understand how our EA services are performing, including who they support. Understanding the effectiveness of these programmes helps MSD better support clients into employment and off benefit, and improve people’s outcomes related to income, justice interactions, and education. Alongside the Employment Investment Strategy 2025-2028 (EIS), this information can be used to inform investment decisions and meet obligations under the Public Finance Act 1989.

Our effectiveness ratings use the IDI to estimate the long-term impact of EA programmes on a range of outcomes

The effectiveness ratings used in this report reflect whether EA programmes improve participants' outcomes compared with not participating. This is usually achieved by comparing participants’ outcomes to a similar group that did not participate, using methods such as Propensity Score Matching (PSM). This analysis is done in the IDI¹¹, and helps MSD to understand which programmes are improving peoples’ outcomes.

Our effectiveness measures do not take into account the displacement and substitution effects of our EA programmes. Further work is being done in this area to understand the magnitude of any impact that may occur.



¹¹ See the [technical report](#) for more information

Appendix

Estimating the effectiveness of our employment assistance programmes

The effectiveness ratings in this report show whether a programme improves participants’ outcomes compared to not participating. This is assessed over 5 outcome domains.

	Outcome domains	• Employment: does the intervention increase participants’ time in employment • Income: does the intervention increase participants’ overall income • Justice: is there a reduction in time in corrections services	• Education qualifications: is there an increase in highest qualifications obtained • Welfare: is there a reduction in income support assistance payments
	Rating status	• Evaluated: Programme has been rated with an effectiveness rating • Too soon to rate: evaluation work has been done, but there is insufficient data for results at this point	• Not rated: evaluation is possible, but the work has not been done yet • Not feasible: evaluation is not feasible at this time
	Effectiveness ratings	• Effective: positive impact on at least one outcome domain, and no negative impacts • Promising: trends indicate the intervention is likely to be rated as effective over the medium to long term • Mixed: the intervention has both positive and negative impacts on different outcome domains	• Makes no difference: no significant difference on any of the outcomes • Likely negative: trends indicate the intervention is likely to be rated as negative over the medium to long term • Negative: there is a negative impact on at least one outcome domain, and no positive impacts

This pack’s high-level view of employment assistance programme expenditure and effectiveness can help inform investment decisions, but does not include the necessary detail for decisions around individual interventions

This summary of EA expenditure and effectiveness can help inform investment decisions and support achieving the Jobseeker Target. It can also support the EIS by helping guide decisions on which clients to allocate to employment support and which programmes to invest in.

While this report provides an overview of overall trends, it does not include the necessary detail for making decisions on the future of individual EA interventions. These decisions require a broader set of considerations, including changing patterns of need, the availability or coverage of services, strategic priorities, and potential policy and operational responses to improve the effectiveness of interventions.

In addition to formal effectiveness evaluations using PSM or other statistical techniques, MSD uses other methods to understand whether a programme is likely to deliver its intended outcomes, and to inform investment decisions:

- Outcomes based evaluations
- Evidence briefs
- Intervention logic models
- Qualitative research
- International evidence on potential impacts.

Some employment interventions are not formally evaluated for effectiveness but are known to play a necessary role in supporting people who are most disadvantaged. MSD continues to invest in such programmes that are yet to be formally evaluated and has an ongoing programme of work aimed at increasing the proportion of investment that is evaluated.

Estimating programme cost

In this report, the full cost of EA interventions is estimated, including indirect costs such as property, information and communication technology, and national office functions. For some costs, such as subsidies, there is a direct relationship between financial information and the intervention. However, for aspects such as staff time, we rely on a cost allocation model to estimate the share of these costs that are allocated to each intervention (see technical report).

We make regular updates to the cost allocation model in response to the latest information on different costs and how they should be allocated to interventions. For this reason, readers should treat the expenditure values in this report as estimates that may change between each update to this report series.

Appendix

EA programme categories

1. Labour market services

Services that help people navigate the labour market and the available employment supports, such as information services, seminars, job search support, and long-term, one-on-one case management.

1.1 Information services

Services that provide individuals with information and support for career guidance, job search skills, and navigating employment options. Also includes job matching and listing platforms that allow employers to post vacancies and connect with jobseekers.

1.2 Individual case management

Services that help individuals find and secure employment through personalised, ongoing support. This may include intensive counselling, case management, coaching, and referral to other supports that suit their situation.

1.3 Other services / activities

Programmes/services included in the EA catalogue that do not readily fit in any other categories.

2. Training

Interventions aimed at improving the skills and employability of participants. Includes general education as well as job or industry specific training. Examples include short industry training courses, study support payments, and paid training like apprenticeships.

2.1 Institutional training

Formalised training, generally delivered through supervised instruction at a school, university, training centre, or via distance/e-learning. Where training occurs within a workplace, it must maintain a significant degree of formalised instruction. At least 75 percent of instruction should take place in a classroom.

2.2 Workplace training

Formalised training, generally delivered through supervised instruction in a workplace. At least 75 percent of instruction should take place in the workplace.

2.3 Integrated training

Formalised training, with an even split of time between workplace and classroom.

2.4 Special support for apprenticeships

Incentives and support for employers to recruit apprentices, or training allowances for priority groups. Apprenticeship schemes are considered part of the regular offer of education and vocational training open to all persons, and are therefore not considered a labour market programme. Only measures specifically developed to support the take-up of apprenticeship schemes by target groups are included.

3. Employment incentives

Interventions and measures that help individuals move into employment, encourage employers to hire MSD clients, and support the continued employment of individuals at risk of job loss. These interventions may focus on the employer or employee.

Typically, these interventions include wage subsidies for employers, and employment-related grants or allowances for individuals, aimed at supporting entry to work, or helping maintain employment when faced with barriers such as childcare.

3.1 Recruitment incentives

Programmes that support the establishment of new employment relationships. They help individuals take up employment, and encourage employers to hire MSD clients. These programmes include payments to encourage individuals to enter the workforce, limited time paid work-experience, and subsidies to encourage employers to hire MSD clients.

3.2 Employment maintenance incentives

Programmes designed to help individuals maintain employment. These may include financial incentives for sustaining work, assisting individuals with barriers (such as subsidised childcare), and offering advice and support to help maintain employment.

4. Disability employment support and rehabilitation

Programmes or interventions designed to assist disabled people, including people with long-term health conditions or with reduced working capacity following accident or illness. They aim to help them prepare for and enter the workforce, or resolve issues that might act as blockers to employment.

4.1 Disability employment support

Programmes or interventions designed to assist people who face additional barriers to employment because of their health condition or disability. These programmes or interventions aim to help these people prepare for and enter open employment positions where they will receive the market wage, or resolve issues that might act as blockers to employment.

4.2 Vocational rehabilitation

Measures that focus on the rehabilitation of individuals, whānau, and hāpori with a temporary or permanent reduction in working capacity. These supports aim to help people adjust to their disability or condition and develop competencies that prepare them for work. These measures typically combine health and employment supports, offering a holistic approach to help people achieve their employment goals. This category excludes social and medical rehabilitation.

4.3 Participation and inclusion

Community participation services that can involve employment skill development, and include Disability Enterprises which have jobs designated for disabled people assessed as exempt from the minimum wage due to productivity limitations.

5. Direct job creation

Measures to create additional jobs to help long-term unemployed people, or those with difficulty finding work. The aim is to provide an opportunity to maintain work, develop skills, and increase employability.

5.1 Direct Job Creation – Public, Non-profit, or Community Jobs

Measure to create time-limited jobs in the non-profit sector or community sector. These roles provide work experience and help participants build skills to increase employability.

5.2 Direct Job Creation – Market Jobs

Measures to create time-limited jobs that could be filled in the normal employment market. These roles provide work experience and help participants build skills to increase.

6. Start-up incentives

Programmes that promote entrepreneurship by encouraging people who are unemployed or from specific target groups to start their own business or become self-employed.

7. Obligations

Programmes that place obligations or requirements, such as job search or course attendance, on clients receiving a benefit or other support.