



MINISTRY OF SOCIAL DEVELOPMENT

Te Manatū Whakahiato Ora

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17 JAN 2014

Mr Matthew O'Leary
fyi-request-1230-465fc880@requests.fyi.org.nz

Dear Mr O'Leary

Thank you for your email of 20 October 2013 requesting, under the Official Information Act 1982, the following information:

Since the Ministry of Social Development began paying wage subsidies for companies to hire beneficiaries in 2009:

- 1. What is the total number of beneficiaries that were hired through this initiative?*
- 2. How many former beneficiaries remained in employment after their wage subsidy expired?*
- 3. How many beneficiaries returned to the benefit after having been a part of the wage subsidy initiative?*

Work and Income engages with employers through a range of services and programmes to match clients to suitable vacancies.

On 1 July 2012, Work and Income introduced Job Streams, which is a flexible package that is tailored to meet the needs of both employers and clients through wage subsidies, training and/or in-work support. Job Streams replaced six previous employment or training programmes, including Skills for Growth, Straight to Work and Job Ops.

Job Streams supports jobseekers at risk of long-term benefit dependence into work, such as young jobseekers and sole parent jobseekers with work obligations.

The amount of the subsidy, level of training or in-work support required varies depending on client needs and the level of assistance they require to enter the labour market. This provides flexibility in terms of how, when and on what the subsidy can be spent. Combinations of wage subsidies and training can be considered, although some jobseekers may only need one or the other to start working.

Job Streams comprises of two parts:

1. Skills for Industry – short, industry-focused training for specific employment opportunities such as a heavy machinery and vehicle licensing and certification. Funding depends on the needs of the jobseeker.
2. Flexi-Wage – two types of wage subsidy:

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- Flexi-Wage Basic provides a wage subsidy for those at highest risk of staying on benefit without support.
- Flexi-Wage Plus provides a wage subsidy with the option of using some funding for other assistance employers may need to assist clients such as training, mentoring or in-work support.

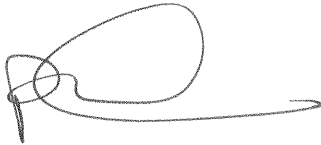
Reported outcomes are measured eight weeks after a client has finished their Skills for Industry course or Flexi-Wage subsidy.

Enclosed are three tables, addressing each of your questions above. Please note that in 2012/13, a significant number of clients had not yet completed their employment programme. Therefore, a 'remained in employment outcome' has not yet been achieved for those clients.

I hope you find this information helpful. You have the right to seek an investigation and review of my response by the Ombudsman, whose address for contact purposes is:

The Ombudsman
Office of the Ombudsman
PO Box 10-152
WELLINGTON 6143

Yours sincerely



PP Debbie Power
Deputy Chief Executive Work and Income

Number of approved client contracts for a wage subsidy as at the end of September 2013, broken down by assistance type

Assistance Type	Fiscal Year				Total
	2009/10	2010/11	2011/12	2012/13	
Enterprise Allowance	64	16	25	0	107
Enterprise Allowance Capitalisation	310	131	182	0	623
Flexi Wage	0	0	6,868	0	6,868
Jobs for a local	0	101	811	22	934
Job Ops	5,790	6,045	117	0	11,952
Job Ops with Training	0	2,835	2,835	64	2,899
Skills Investment	3,348	2,970	5,944	0	12,262
Total	9,512	9,265	9,914	6,964	35,645

Number of clients who remained in employment after their wage subsidy ended as at the end of September 2013, broken down by assistance type

Assistance Type	Fiscal Year				Total
	2009/10	2010/11	2011/12	2012/13	
Enterprise Allowance	56	16	20	0	92
Enterprise Allowance Capitalisation	239	102	156	0	497
Flexi Wage	0	0	3,696	0	3,696
Jobs for a local	0	89	654	20	763
Job Ops	4,743	4,970	101	0	9,814
Job Ops with Training	0	0	2,101	43	2,144
Skills Investment	2,527	2,226	4,572	0	9,325
Total	7,865	7,403	7,604	3,729	26,301

Notes:
The table shows clients who were not granted a main benefit within eight weeks of their wage subsidy expiring

Number of clients who returned to a benefit after being approved for a wage subsidy as at the end of 30 September 2013, broken down by assistance type

Assistance Type	Fiscal Year				Total
	2009/10	2010/11	2011/12	2012/13	
Enterprise Allowance	5	2	5	0	12
Enterprise Allowance Capitalisation	55	20	19	0	94
Flexi Wage	0	0	1,109	0	1,109
Jobs for a local	0	10	92	2	104
Job Ops	759	733	9	0	1,501
Job Ops with Training	0	0	465	13	478
Skills Investment	610	969	1,128	0	2,128
Total	1,429	1,314	1,559	1,124	5,426

Notes (for all tables):

The above tables include a number of different employment subsidy assistance types:
 Prior to Job Streams - Flexi Wage, Skills Investment was the long standing employment subsidy available to employers for providing Work & Income clients with permanent paid employment.
 Job Ops was introduced in July 2009 and was the first in a series of employment programmes that were designed to encourage employers to take on specific client groups. Along with Job Ops with Training which was introduced in July 2011, these programmes were targeted at youth clients and provided a \$5,000 subsidy to employers taking on clients for a minimum of six months.
 Jobs for a Local was created in response to the Canterbury earthquakes of September 2010 and February 2011.
 Flexi Wage was introduced in July 2012, and combined Skills Investment, Enterprise Allowance (incl. capitalisation) and Taskforce Green (incl. Disaster Relief).
 Other employment subsidies identified here relate to wage subsidies paid to an employer on behalf of the client.
 Some of these employment programmes contain subsidies for more than just wages. For example Flexi Wage contracts may also cover training and funding for mentoring.
 Taskforce Green and Taskforce Green Disaster Relief provided project based employment which benefited the individual client and the community/environment. These are not included in the above tables.
 The tables may include some clients who were not in receipt of a main benefit when referred to the programme.
 A client may appear more than once in any given table. The total in each table represents the unique combination of client and contract.
 The outcomes reported here are based on the outcome structure used for Job Streams Flexi Wage.
 These outcomes are:
 Remained in employment - was not granted a main benefit within 8 weeks of end of contract.
 Increased part time earnings while on benefit.
 Returned to benefit, but not current at 6 weeks.
 Returned to benefit.
 There is no obligation for clients to remain in contact with us when they are not in receipt of income support. Work and income cannot therefore be sure that a client 'remains in employment' after the subsidy period, only that they have not returned to benefit.